

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2004**

Prepared by the Department of Finance

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Shelby County Government

A C Wharton, Jr.
Mayor

November 24, 2004

To the Members of the Board of County Commissioners and the Citizens of Shelby County, Tennessee:

The comprehensive annual financial report of Shelby County, Tennessee (hereafter, Shelby County) for the year ended June 30, 2004 is hereby submitted as required by both local ordinances and state statutes. These require that Shelby County publish each fiscal year a complete set of financial statements as required by Generally Accepted Accounting Principles (GAAP) and audited by a firm of licensed certified public accountants.

This report consists of management's representations regarding the finances of Shelby County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Shelby County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of Shelby County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Shelby County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Shelby County financial statements have been audited by Thompson Dunavant PLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Shelby County are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that Shelby County's financial statements for the fiscal year ended June 30, 2004, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Shelby County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Shelby County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Shelby County's MD&A can be found immediately following the report of the independent auditors.

Profile of Shelby County, Tennessee

Shelby County, established in 1819, is the largest county in the State of Tennessee with Memphis as the County seat. The County is located in the extreme southwest corner of Tennessee on the east bank of the Mississippi River and is the hub of the 105 county Mid-South Region. Contained within the County's 783 square miles are seven incorporated municipalities, which include Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 903,186. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

Since the implementation of the Restructure Act on January 1, 1976, the County has operated under the Mayor-Commission form of government. The Mayor, as the County's chief executive officer, oversees the operations of the County's six divisions. The thirteen members of the Shelby County Board of Commissioners (the Commission), the legislative branch of the government, review and approve the County's programs and budgets. The Mayor and each Commissioner serves a four year term. The Sheriff, who oversees law enforcement, County Clerk, Assessor, Register, Trustee, Circuit Court Clerk, Criminal Court Clerk, General Sessions Court Clerk, Juvenile Court Clerk and Probate Court Clerk are also elected to four year terms.

Shelby County provides a full range of services, including law enforcement, judicial system, jail and corrections facilities, health services, community services, fire protection and recreational activities. Shelby County also is financially accountable for two legally separate school districts, public hospital, agricultural center and emergency communications district, which are reported separately within the Shelby County financial statements. Additional information on these entities can be found in Note I. A. in the notes to the financial statements.

The annual budget serves as the foundation for Shelby County's financial planning and control. All departments and elected officials submit their requested budget to the County Mayor by early March. After a series of reviews, the County Mayor presents a proposed consolidated budget to the County Commission by April 30. The County Commission holds budget hearings and then adopts a final budget. This process is generally completed by July 1, the start of the fiscal year. However, the County Commission has the authority to adopt a continuing budget until a final budget can be adopted. The appropriated budget is prepared by fund, division (function such as public works), and department (e.g., parks). The Mayor may make transfers of appropriations within personnel or non-personnel categories within a department or between departments within a division. Any other transfers require approval of the County Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the general fund, education fund and grants fund, this comparison is presented in the required supplementary information section.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Shelby County operates.

Local economy. Shelby County experienced some growth in the local economy this past year as did most of the country. In recent years, the economy of the County has experienced notable success attracting new businesses along with the continued growth of existing businesses. The result has been relatively steady total employment in the County during periods of sluggish growth or decline in the national economy with substantial increases when the national economy improved. This success is due, in large part, to the County's location near the geographic center of the nation and its excellent transportation facilities. Also, the County benefits from serving as the trade center for the surrounding area.

The industrial economy of Shelby County and the City of Memphis encompasses many industry sectors. Twenty major industrial groups and over 425 sub-groups, as classified by the Bureau of the Budget, are listed in the Directory of Memphis Manufacturers. Major industries include: chemicals, electronics, foods and beverages, paper products, hardwood lumber products, pharmaceuticals, soybean and cotton oil derivatives and fertilizers. Approximately 6,000 manufacturing, wholesaling, and retailing firms are located in Memphis, Shelby County, and the surrounding area.

The major areas of employment in Shelby County are the services, government, and retail trade. Comparatively, both the Southeast Region and the United States overall show a heavier concentration in manufacturing than does the County, but they also display lower employment in transportation and public utilities.

According to the Tennessee Department of Labor, the unemployment rate for Shelby County as of June 30, 2004 was 5.9%, as compared to the state's rate of 4.5% and the national rate of 5.4%.

Economic Development. The County and the City of Memphis have combined their development efforts into one unit under the Memphis-Shelby County Division of Planning and Development. In addition, two industrial development corporations have been established and staffed by the Center City Commission, which was formed in 1977. The first corporation, Center City Revenue Finance Corporation, promotes comprehensive redevelopment of the central business district. The second, the Center City Development Corporation, promotes industrial development throughout the County. Both are empowered under state law to issue tax-exempt industrial revenue bonds, and the Center City Revenue Finance Corporation also issues tax freezes for certain projects.

Other economic development efforts are led in the County by the Memphis Area Chamber of Commerce, a private organization that receives financial support from its members. The Tennessee Department of Economic and Community Development is active in working to attract industrial and business prospects to the area as a part of its statewide recruiting efforts. Also, several local governments have combined their efforts to form the Millington Base Reuse Committee to find alternative industrial and economic uses for certain facilities vacated by the Navy Memphis Complex.

One of the County's primary attractions for economic development is its central location in the United States combined with excellent transportation facilities, including air, rail, roads and water. Another attractive feature is the relatively low cost of living compared with other urban areas, including real estate prices.

Education Funding. Approximately 50% of Shelby County property taxes are allocated to operating expenses of schools. An additional 8% pays the debt service on bonds issued for schools. In 2004 Shelby County provided \$77.3 million for construction and renovation of

schools under the \$655 million multi-year school funding agreement, that ends in 2006. There are two school systems in Shelby County: the Shelby County Board of Education and the Board of Education of the Memphis City Schools. As of June 30, 2004, Shelby County has outstanding general obligation debt issued for schools of \$913,093,850, which is recorded as a liability in the Statement of Net Assets in the basic financial statements section. The assets constructed with these bonds are recorded in the two school systems' financial statements and not in the Primary Government column in the Statement of Net Assets.

Debt Administration. At June 30, 2004, Shelby County's net bonded debt outstanding totaled \$1,580,998,223 (this excludes accretion on zero coupon bonds and \$39.5 million issued in extendible municipal commercial paper) which represented approximately 8.73% of assessed value and approximately \$1,744.65 per capita. Debt, generally, may be issued without regard to any limit on indebtedness and the ad valorem tax levy is also without legal limit. Additional debt information is available in the statistical section of this report.

Cash Management Policies and Practices. The County's cash and investment management practices focus on matching seasonal revenue with relatively constant expenditures. The major challenge results from the need to maintain adequate liquidity while preserving the purchasing power of the County funds. Accordingly, the County's investment policies emphasize securities with a high degree of both safety and marketability. State law limits the investment of idle cash to U.S. treasury obligations, U.S. agency obligations, certificates of deposit, obligations of the State of Tennessee and various political subdivision thereof, repurchase agreements, commercial paper and a State of Tennessee sponsored local government investment pool.

Risk Management. During fiscal year 2004, Shelby County continued its strong risk management program. This includes third-party coverage of some exposures such as buildings and a self-insured plan for others such as liability and on-the-job injury claims. Tort liability is self insured with a statutory limit of \$400,000 per accident, as prescribed by state statute. Other liability exposures, such as employment practices and law enforcement liability, are also self-insured, but are not subject to statutory limits. On-the-job injuries are self insured with unlimited medical expenses and a statutory limit of \$216,400 on death and permanent disability claims. As part of its comprehensive plan, Shelby County maintains a strong loss control program that includes periodic inspections of all County buildings, work sites and vehicles and various types of employee training, including accident prevention and implementation of numerous risk-control techniques.

Pension and Other Post Employment Benefits. Shelby County sponsors a defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that Shelby County must make to the pension plan to ensure that the plan will be able to fully meet its obligations. As a matter of policy, Shelby County fully funds each year's annual required contribution to the pension plan as determined by the actuary. The plan has an actuarial surplus of \$104 million or 114% of the actuarial value of assets at June 30, 2004.

Shelby County also provides post retirement health and life insurance benefits for certain retirees and their dependents. As of June 30, 2004, there were 1,894 retired employees receiving these benefits which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Administration Priorities

The Administration has identified a number of priorities designed to shore up the long-term financial position of the County. These focus on structural changes in areas that are costly to County Government. They include:

1. **Better Debt Management** – Closer cooperation between the Administration and the Shelby County Commission – the county's legislative body - including an open, thorough and timely budgeting process, which focuses on a clear understanding of debt funding as opposed to operating funding. We have aggressively reduced our capital plan from over \$150 million in 2003 to \$103 million in 2006 and to \$77 million in 2009 to stop the growth of debt.
2. **Growth Management** – The Shelby County Mayor has instituted a Smart Growth plan designed to manage development, particularly in the unincorporated areas. This plan is designed to insure that incentives are created that will encourage inner city redevelopment where infrastructure already is in place. Additionally, the Shelby County Mayor is seeking passage of legislation to ensure that new development pays for itself and is sustainable. These steps are necessary because the Mayor believes that Shelby County is too reliant on the property tax for its operating revenues.
3. **Healthcare Funding** – The Shelby County Mayor is aggressively pursuing more equitable funding from the State of Tennessee for the Regional Medical Center at Memphis. The State has agreed to provide a significant increase in funding, and we are continuing to pursue additional funding. Presently, Shelby County Government contributes approximately \$27 million annually to The Med and pays another \$11 million in debt service for The Med. The funding to The Med is not only for the hospital itself, but for a network of community healthcare centers.
4. **General Fund Balance** – The Mayor made it a priority to replenish the General Fund and to avoid unplanned withdrawals from that fund. A goal was established to increase the General Fund unreserved fund balance to approximately 10% of General Fund expenditures over 2 years. This goal was substantially accomplished in one year. The General Fund unreserved fund balance at June 30, 2004 is 9.5% of General Fund expenditures.
5. **Pension Funding** – Because the Mayor believes we may not be funding our pension plan as prudently as we should, we are conducting a review. The pension plan is presently funded at 114%, well above the acceptable minimal limits. It appears that we can maintain level funding to the pension plan while moving towards our planned funding level of 100%.
6. **Zero-based Budget** – The Shelby County Mayor is requiring all departments and divisions under his control to budget according to zero-based budgeting principles. This process is well underway and is far ahead of previous budget cycles.
7. **Needs Assessment Committee** – The Administration established a Needs Assessment Committee to address the financial burden of the current capital funding mechanism for public schools, including both Memphis City Schools and Shelby County Schools. The Committee will: 1) Develop uniform standards and costs for school construction; 2) Annually assess capital needs of each school system and create a comprehensive plan for

capital projects and funding; 3) Review, as necessary, capital requests of both school systems that fall outside of the comprehensive plan and make recommendations to the County Commission regarding those requests.

8. **Efficiency Study** – The Administration, with the support of the County Commission engaged Public Financial Management, Inc., a financial advisory firm, to conduct a study to determine whether Shelby County Government is operating efficiently and effectively. The result of this study was the issuance of a five-year strategic financial and management plan. The study found that Shelby County Government is relatively efficient compared to similar governments, but it also pointed to a number of areas where we can improve. Several of the recommendations were adopted while the report was still in draft form in order to balance the FY '05 budget, and we are currently working toward implementing many additional recommendations.

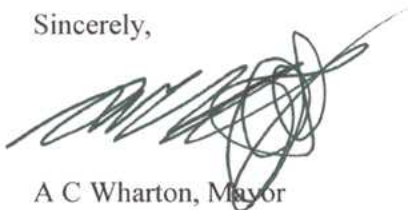
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shelby County, Tennessee for its comprehensive annual financial report (CAFR) for the year ended June 30, 2003. This was the eighteenth consecutive year that Shelby County has received this prestigious award. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents conforming to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit also is given to the County Commission for their interest and support in planning and conducting the operation of the government in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'A C Wharton', with a stylized, circular flourish at the end.

A C Wharton, Mayor

A handwritten signature in black ink, appearing to read 'James F. Huntzicker', with a stylized, flowing script.

James F. Huntzicker, Director
Division of Administration and Finance

**Shelby County, Tennessee
County Officials
As of June 30, 2004**

Shelby County Board of Commissioners

**Marilyn Loeffel, Chairman
Michael A. Hooks, Chairman Pro Tempore**

**Joyce Avery
Walter Lee Bailey, Jr.
Julian Bolton
Joe Ford**

**Cleo C. Kirk
David Lilliard
Deidra Malone
Tom Moss**

**Linda Rendtorff
Bruce Thompson
John Willingham**

Roster of Publicly Elected Officials

**Assessor of Property – Rita C. Clark
Attorney General – William L. Gibbons
County Clerk – Jayne Creson
County Mayor – AC Wharton, Jr.
County Register – Tom Leatherwood
County Trustee – Bob Patterson
Sheriff – Mark H. Luttrell, Jr.**

**Chancery Court Clerk & Master –
Kenny W. Armstrong
Circuit Court Clerk – Jimmy Moore
Criminal Court Clerk – William R. Key
General Sessions Court Clerk – Chris Turner
Juvenile Court Clerk – Steve Stamson
Probate Court Clerk – Chris Thomas**

Roster of Shelby County Administrative Officials

**AC Wharton Jr. - Mayor
John Fowlkes - Chief Administrative Officer
Earnest Lee Gunn - Assistant Chief Administrative Officer
Brian Kuhn - County Attorney
James Huntzicker - Director of Administration and Finance
Louise Mercuro - Acting Director of Planning and Development
Theodore C. Fox III - Director of Public Works
George Little - Director of Corrections
Yvonne Smith-Madlock, Director of Health Services
Charlotte Kennedy - Director of Community Services**

Shelby County Board of Education

**David Pickler, Chairman
Anne Edmiston
Ernest Chism
Joseph Clayton**

**Wyatt Bunker, Vice Chairman
Virginia Harvell
Ron Lollar**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shelby County,
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

THOMPSON DUNAVANT PLC

Independent Auditors' Report

To the Chairman and Members
Shelby County Board of Commissioners and
the Mayor of Shelby County, Tennessee
Memphis, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Shelby County, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shelby County Health Care Corporation, Agricenter International, Inc., and Emergency Communications District of Shelby County, Tennessee which represent \$181,585,219 and \$347,934,991, respectively, of the assets and revenues of the component units, and Shelby County Retirement System, which represents \$809,469,506 of the assets and 100% of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and Shelby County Retirement System, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2004 on our consideration of Shelby County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 13 through 27 and the budgetary comparison information on pages 99 through 101 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's basic financial statements. The accompanying financial information listed as supplemental schedules in the table of contents includes supplementary information required by accounting principles generally accepted in the United States of America and other information presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical data has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Thompson Dunavant PC

Memphis, Tennessee
November 24, 2004

Management's Discussion and Analysis

The management of Shelby County Government (County) presents this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with information in the transmittal letter found at the front of this report and the basic financial statements, which follow in this section.

In the United States financial reporting standards for governmental entities are established by the Governmental Accounting Standards Board (GASB). This is the third annual financial report issued by Shelby County using the standards established by the GASB's Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Statement No. 34 made significant changes to financial reporting, including new "government-wide" financial statements. Shelby County follows all GASB standards in addition to Statement No. 34 as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

Financial Highlights

- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$30,181,239, or 9.5 percent of total general fund expenditures. This was an increase of \$11,959,547, or a 65.6% increase.
- Fund balance for the debt service fund decreased \$1.2 million to \$9,457,475, which is 8.1% of total expenditures of the debt service fund. The decrease was planned and the balance is well above our target level of \$4 million.
- Total liabilities of Shelby County exceed total assets as of June 30, 2004 by \$1,342,505,955. The largest contributing factor causing this deficit is the fact that the County issues debt on behalf of entities not a part of the County's primary financial reporting unit and the related assets are not recorded by the County. These entities include the school systems of Shelby County and the City of Memphis, joint ventures with the City of Memphis, and others.
- The decrease in net assets of \$50,051,670 results primarily from the issuance of debt for school construction of \$109 million, less \$20 million not yet expended and reflected as due to component unit. This is offset by the \$10 million fund balance increase in the general fund and a \$7 million increase in net assets of internal service funds.

More details on these highlights and other information are in the remainder of this discussion and analysis.

Overview of the Financial Report

The Comprehensive Annual Financial Report includes three major sections – Introductory Section, Financial Section, and Statistical Section. The Introductory Section includes a transmittal letter and general information about the County. The Statistical Section includes financial and non-financial data, some from sources other than financial records and often

covering up to ten years. The Financial Section is the major part of the financial report. The Independent Auditor's Report applies only to the Financial Section. This discussion and analysis applies only to the Financial Section.

The Financial Section includes the following statements and schedules:

- Basic Financial Statements
 - Government-wide financial statements
 - Fund financial statements
 - Notes to financial statements
- Required Supplemental Information (Budgetary Comparison Schedules)
- Combining Statements and Individual Fund Statements and Schedules

BASIC FINANCIAL STATEMENTS

Shelby County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of Shelby County's finances in a manner similar to a private-sector business. The two government-wide financial statements present highly summarized information for all of County government.

The *statement of net assets* presents information on all of Shelby County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of changes in the financial position of Shelby County. However, because the County issues substantial amounts of debt for capital assets of others, such as the Memphis City Schools, annual decreases in net assets are expected in years when such debt is issued.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying economic event giving rise to the change occurs, *regardless of the timing of related cashflows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Shelby County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Shelby County include general government, hospital, planning & development, public works, corrections, health services, community services, law enforcement, judicial, other elected officials, education and

interest on debt. The business-type activities of Shelby County include codes enforcement, a nursing home, fire services, and corrections.

The government-wide financial statements include not only Shelby County itself - known as the *primary government* - but also four legally separate entities for which Shelby County is financially accountable. These entities are the Shelby County Board of Education, Shelby County Health Care Corporation, Agricenter International, and the Emergency Communications District. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. This discussion and analysis is devoted to Shelby County government rather than the component units.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Shelby County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Shelby County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Shelby County maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, education fund, and grants fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Proprietary funds. Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Shelby County uses enterprise funds to account for its Oakville Health Care Center, Consolidated Codes Enforcement, Correction Center, and Fire Services. *Internal service*

funds are an accounting device used to accumulate and allocate costs internally among Shelby County's various functions. Shelby County uses internal service funds to account for its central services, group hospital, group life, tort liability and employer insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each enterprise fund. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of a *combining statement* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Shelby County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Shelby County Retirement System is the major fiduciary fund.

Component units combining statements. Component units are not "funds" of Shelby County as the primary government. However, the government-wide financial statements include one column for all component units as discussed above. In order to provide details on each component unit, a combining statement of net assets and a combining statement of activities are included in the fund financial statements section of the basic financial statements.

Differences between government-wide and fund financial statements. The government-wide financial statements are much more aggregated and summarized than the fund financial statements. The government-wide statement of net assets includes long-term debt and capital assets, whereas the fund balance sheet includes neither. The government-wide statement of activities includes long-term debt incurred during the year and depreciation expense but not amounts expended for capital assets during the year; the fund statement of revenues, expenditures, and changes in fund balances includes amounts expended during the year to pay long-term debt but not long-term debt incurred and includes amounts expended for capital assets but not depreciation. These are some of the most common, significant differences but there are others. Following the fund balance sheet and the fund statement of revenues, expenditures, and changes in fund balances is a reconciliation of those statements to the government-wide statement of net assets and the statement of activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however the term is misleading in that the notes can vary in length from one paragraph to several pages.

REQUIRED SUPPLEMENTAL INFORMATION

This section contains other information that financial reporting standards specify should be included under this caption. The only such information Shelby County is required to present are budgetary comparison schedules for the general fund and other "major" special revenue funds (the education fund and the grants fund). A budgetary comparison schedule for each of these funds has been provided to demonstrate compliance with their budget. Other budgetary comparison schedules not fitting the criteria defined for this section are presented under "Combining Statements and Individual Fund Statements and Schedules."

COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining fund statements for the non-major special revenue funds and internal service funds are included in this section of the report. Supplemental schedules include general fund and grants fund budgetary comparisons by department, detail of constitutional officers' activities and schedules of debt by debt issue.

Government-wide Financial Analysis (Reporting the County as a Whole)

FINANCIAL POSITION

Table 1 shows a very condensed version of the Statement of Net Assets (see the government-wide financial statements for the full version as of June 30, 2004). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2004 and as of June 30, 2003.

Property taxes receivable is by far the largest portion of Shelby County's assets (57.8% at June 30, 2004 and 60.6% at June 30, 2003). The June 30, 2004 property taxes receivable includes \$564 million, offset by an equal deferred revenue amount in other liabilities, that became a property lien on January 1, 2004 but are levied for next fiscal year's operations. The similar amount at June 30, 2003 was \$556 million. Total assets increased \$63 million, attributable to increases in cash and cash equivalents, property taxes receivable and capital assets.

Liabilities increased \$113 million during the year. This increase was due primarily to an increase of \$265 million in long-term liabilities and a reduction of \$181 million in notes payable from short term borrowing.

Management's Discussion and Analysis
June 30, 2004

Table 1
Condensed Statement of Net Assets
As of June 30, 2004 and 2003

	June 30, 2004	June 30, 2003	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 608,918,477	\$ 599,817,632	\$ 9,100,845
Current and other assets	191,901,370	151,525,256	40,376,114
Capital assets	209,775,976	191,225,684	18,550,292
Total assets	1,010,595,823	942,568,572	68,027,251
Long-term liabilities	1,664,400,266	1,398,976,333	265,423,933
Other liabilities	724,406,873	875,134,088	(150,727,215)
Total liabilities	2,388,807,139	2,274,110,421	114,696,718
Invested in capital, net of related debt	(187,605,328)		(187,605,328)
Restricted	25,939,996	33,428,619	(7,488,623)
Unrestricted	(1,216,545,984)	(1,364,970,468)	148,424,484
Total net assets	(1,378,211,316)	(1,331,541,849)	(46,669,467)
<u>Business-Type Activities</u>			
Current and other assets	12,101,589	13,032,472	(930,883)
Capital assets	29,910,693	33,883,889	(3,973,196)
Total assets	42,012,282	46,916,361	(4,904,079)
Long-term liabilities	5,402,422	5,921,580	(519,158)
Other liabilities	904,499	1,907,217	(1,002,718)
Total liabilities	6,306,921	7,828,797	(1,521,876)
Invested in capital, net of related debt	29,047,386	33,372,974	(4,325,588)
Unrestricted	6,657,975	5,714,590	943,385
Total net assets	35,705,361	39,087,564	(3,382,203)
<u>Total Primary Government</u>			
Property taxes receivable	608,918,477	599,817,632	9,100,845
Current and other assets	204,002,959	164,557,728	39,445,231
Capital assets	239,686,669	225,109,573	14,577,096
Total assets	1,052,608,105	989,484,933	63,123,172
Long-term liabilities	1,669,802,688	1,404,897,913	264,904,775
Other liabilities	725,311,372	877,041,305	(151,729,933)
Total liabilities	2,395,114,060	2,281,939,218	113,174,842
Invested in capital, net of related debt	(158,557,942)	33,372,974	(191,930,916)
Restricted	25,939,996	33,428,619	(7,488,623)
Unrestricted	(1,209,888,009)	(1,359,255,878)	149,367,869
Total net assets	\$ (1,342,505,955)	\$ (1,292,454,285)	\$ (50,051,670)

Net assets” are the difference between assets and liabilities and, in a general sense, may be considered the recorded financial “net worth” of the County. The most obvious concern that can be noted about net assets is the large negative net asset amount. The negative net asset amount is caused by two significant factors. The first factor and largest dollar amount relates to debt issued for capital assets (buildings, roads, etc.) where the capital asset values are *not* recorded in the

County's financial records but the debt *is* on the County's records. Some of this debt has been issued to provide capital assets to component units of the County, including the Shelby County Board of Education and the Shelby County Health Care Corporation (the Med). These component units report the capital assets but not the debt. Other debt is issued for entities not a part of the County reporting entity, including the Memphis City Schools Board of Education and the Convention Center. As a result of reporting the debt liabilities without reporting the assets acquired with the proceeds of the debt, a negative net asset amount is reported in the County's statement of net assets.

The following long-term debt liabilities are reported by the County for which related capital assets are not recorded by Shelby County:

	June 30, 2004	June 30, 2003
Shelby County and City of Memphis schools	\$ 913,093,850	\$ 689,737,629
Shelby County Health Care Corporation (component unit)	115,761,611	102,484,913
Convention Center (joint venture)	75,355,398	77,095,552
Other	80,136,996	77,505,978
Total	<u>\$ 1,184,347,855</u>	<u>\$ 946,824,072</u>

The second factor that contributes to the negative net asset amount relates to "infrastructure" capital assets acquired prior to July 1, 2001. These are mostly roads and bridges. GASB Statement No. 34 referenced above requires that these infrastructure capital assets be reported not later than fiscal year 2006. The County will include these capital assets as soon as the historical records can be researched to determine the amounts for these previously unreported assets. Some of the long-term debt liability reported was used to acquire or construct these infrastructure capital assets. Since the debt is being reported but the assets have not yet been reported, a negative net asset amount results.

It should be noted that Shelby County, the component units, and other entities (such as Memphis City Schools) use these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Shelby County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net assets decreased by \$50 million, which is primarily due to issuing debt for schools' capital assets as discussed above. Excluding the effect of school debt, net assets increased by \$39 million due to changes within the funds that are discussed below.

CHANGES IN NET ASSETS – REVENUES, EXPENSES AND TRANSFERS

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ending June 30, 2004, with comparative amounts for the fiscal year ending June 30, 2003.

Program revenues are those revenues generated by the department or program as a result of the activities engaged in by the department or program. Program revenues increased (5.9%) during the year. General revenues are those revenues not generated through the activities of the County; property taxes produce the largest amount of general revenues. General revenues increased 5.5% during the year. Overall revenues increased about 5.6% during the year.

Table 2
Shelby County Change in Net assets
Fiscal Years Ending June 30, 2004 and 2003

	FY 2004	FY 2003	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 81,410,002	\$ 80,435,713	\$ 974,289
Operating grants and contributions	121,711,056	110,997,403	10,713,653
Capital grants and contributions	7,818,000	7,703,724	114,276
Total program revenues	210,939,058	199,136,840	11,802,218
General revenues:			
Property taxes	582,711,510	559,384,367	23,327,143
Other taxes	82,726,123	65,481,890	17,277,233
Other	2,782,079	8,549,134	(5,767,055)
Total general revenues	668,219,712	633,415,391	34,804,321
Total revenues-governmental activities	879,158,770	832,552,231	46,606,539
<u>Expenses:</u>			
General government	62,965,112	78,453,282	(15,488,170)
Hospital	28,213,585	33,452,571	(5,238,986)
Planning & Development	7,363,302	7,310,134	53,168
Public Works	23,258,832	16,873,274	6,385,558
Corrections	825,555	937,223	(111,668)
Health Services	50,318,012	51,345,969	(1,027,957)
Community Services	39,778,703	39,535,231	243,472
Law Enforcement	126,651,679	141,356,464	(14,704,785)
Judicial	50,271,461	51,424,360	(1,152,899)
Other Elected Officials	29,561,524	29,382,392	179,132
Education	428,873,650	398,704,841	30,168,809
Interest on debt	65,885,498	71,847,109	(5,961,611)
Total expenses-governmental activities	913,966,913	920,622,850	(6,655,937)
Increase (decrease) in net assets before transfers	(34,808,143)	(88,070,619)	53,262,476
<u>Transfers</u>	(11,861,324)	(6,154,513)	(5,706,811)
Increase (decrease) in net assets	(46,669,467)	(94,225,132)	47,555,665
Net assets - beginning of year	(1,331,541,849)	(1,237,316,717)	(94,225,132)
Net assets - end of year	(1,378,211,316)	(1,331,541,849)	(46,669,467)

Management's Discussion and Analysis
June 30, 2004

Business-type activities:Revenues:

Operating revenues:

Charges for services	63,770,875	69,891,427	(6,120,552)
Operating grants and contributions	60,960	47,175	13,785
Total operating revenues	63,831,835	69,938,602	(6,106,767)
Non-operating revenues	486,261	388,156	98,105
Total revenues	64,318,096	70,326,758	(6,008,662)

Expenses:

Codes Enforcement	8,081,482	7,571,869	509,613
Nursing Homes	15,783,099	15,372,131	410,968
Fire Services	11,408,991	10,727,950	681,041
Corrections	44,288,051	43,873,787	414,264
Total expenses	79,561,623	77,545,737	2,015,886

Increase (decrease) in net assets
before transfers

(15,243,527) (7,218,979) (8,024,548)

Transfer

11,861,324 6,154,513 5,706,811

Increase (decrease) in net assets

(3,382,203) (1,064,466) (2,317,737)

Net assets - beginning of year

39,087,564 40,152,030 (1,064,466)

Net assets - end of year

35,705,361 39,087,564 (3,382,203)

Total primary government:

Increase (decrease) in net assets	(50,051,670)	(95,289,598)	45,237,928
Net assets - beginning of year	(1,292,454,285)	(1,197,164,687)	(95,289,598)
Net assets - end of year	<u>\$ (1,342,505,955)</u>	<u>\$ (1,292,454,285)</u>	<u>\$ (50,051,670)</u>

Total expenses for the year in governmental activities decreased \$6.7 million. The largest decreases were in general government (\$15.5 million or 19.7%) and in law enforcement (\$14.7 million or 10.4%). Education expenses increased \$30.2 million (7.6%).

Approximately 75% of the inmates at the Corrections Center are the responsibility of the State of Tennessee. The State pays the Corrections Center their share of actual cost per inmate day. The general fund provides an operating transfer for the costs not recovered from the state. Oakville Health Care Center operates at a deficit, which is funded by an operating transfer from the General Fund. Losses in these funds generally represent non-cash changes in long term assets and liabilities.

CHANGE IN FINANCIAL POSITION DURING YEAR

The overall change in the financial position of Shelby County during fiscal year 2004 was a decrease in net assets of \$50,051,670.

The County's governmental activities operated at a deficit of approximately \$46.7 million. This was mostly debt issued for component units, the City of Memphis Board of Education, and others where the County retains liability for the debt but does not hold the related capital assets. This situation is discussed more at length above.

The business-type activities had a net decrease of \$3.4 million. These occurred because of operating losses at the Corrections Center and Oakville Health Care Center, offset somewhat by operating profits in the Fire Services Fund and Consolidated Codes Enforcement. The loss at the Oakville Health Care Center was higher than normal due to certain costs in connection with the sale of the facility and the loss on the sale based on book values; the facility was sold on June 30, 2004.

Financial Analysis of the Government's Funds

As noted earlier, Shelby County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$36,462,016. The components of the balances are:

	June 30, 2004	June 30, 2003
Debt Service	\$ 9,457,475	\$ 10,702,422
Special Revenue	16,482,521	16,555,753
General Fund-reserved/designated	5,260,223	6,934,189
General Fund-Unreserved	30,181,239	18,225,510
Total, except capital projects fund	61,381,458	52,417,874
Capital projects fund	(24,919,442)	(211,212,848)
Total all governmental funds	<u>\$ 36,462,016</u>	<u>\$ (158,794,974)</u>

There was a \$195.3 million improvement over the deficit of \$158.8 million from the prior year. This improvement was primarily the result of issuing long-term debt to repay short-term debt for capital improvement projects. Shelby County uses short-term debt to finance capital projects. At the conclusion of each short-term borrowing program (generally two years), the short-term debt is refinanced with long-term general obligation debt. Short-term debt is recorded as a liability of the capital projects fund and, to the extent such borrowings have been spent, a fund deficit is created. The deficit is cleared when long-term debt is issued, as occurred in FY 2004. Short-term debt outstanding at June 30, 2004 was \$39.5 million compared to \$220.3 million at June 30, 2003.

The general fund operated with net revenue of \$10.3 million, resulting in a general fund unreserved and undesignated balance of \$30,181,239. This was a planned increase in the unreserved fund balance to provide more resources to absorb potential negative financial events. The general fund unreserved amount is available for spending at the government's discretion.

The remainder of fund balance has already been committed 1) to pay debt service, 2) for road repair and maintenance, 3) to liquidate contracts and purchase orders of the prior period, or 4) for a variety of other restricted purposes.

The general fund is the chief operating fund of Shelby County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 9.5 percent of total general fund expenditures, while total fund balance represents 11.2 percent of that same amount. General fund revenues were \$32 million (10.5%) above the prior year, of which \$25 million resulted from increasing the property tax rate. Expenditures were \$9.3 million less (2.9%) than the prior year but net transfers were \$9.9 million more. Before the beginning of FY 2004 management committed to increasing fund balance of the general fund by \$10 million over the next two years. This was accomplished in one year.

The reduction in the fund deficit of the capital projects fund results from notes payable amounts converted to long-term general obligation bonds exceeding the amount of notes issued during the year for capital projects.

The debt service fund has a total fund balance of \$9,457,475, which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$1,244,947. The decrease resulted from the planned usage of some fund balance to move towards our target debt service fund balance of \$4 million.

All special revenue balances are available only for the specific purposes designated by the provider of the funds or the legislation establishing the fees and charges that generate the revenue.

Proprietary funds. Shelby County's proprietary funds report financial information on the same basis as the government-wide financial statements (full accrual accounting based on the economic substance of transactions), but in more detail. Proprietary funds consist of two types of funds – business-type activities-enterprise funds and governmental activities-internal service funds.

The County has four business-type activities; these are essentially self-supporting activities. Two of the activities have consistently been able to support themselves; these are the Consolidated Codes Enforcement Fund and the Fire Services Fund. Two other activities have consistently been unable to support themselves. The Oakville Health Care Center has a cost structure that is above industry averages and the general fund provides a subsidy excluding depreciation. The Corrections Center receives reimbursement from the State of Tennessee for housing State prisoners, which are about 75% of the prison population. The general fund provides the remaining cost, excluding depreciation. Unrestricted net assets of the Enterprise Funds at the end of the year amounted to \$6,657,975, an improvement of 16.5%.

Total net assets of the Enterprise Funds decreased \$3,382,203 during the year. Of this decrease, \$2,656,743 occurred at the Oakville Health Care Center. The Oakville facility and operations were sold on June 30, 2004, which is why there are no remaining Statement of Net Asset balances for Oakville. Over \$1 million of the Oakville deficit was the result of the loss on the sale of assets (based on book value of the assets) and some related costs of discontinuing the operation.

The County has five internal service funds. These funds are reported using full accrual accounting. *For the government-wide financial statements, these funds are combined with governmental activities.* At June 30, 2004, these funds combined had deficit net assets of \$31,436, an improvement of \$7,251,261 over the deficit of \$7,282,697 from the prior year. The group hospital insurance fund had a deficit at June 30, 2003 of \$2,949,719; however premiums exceeded expenses by \$4,424,157 during the current year. The employer insurance fund had a deficit at June 30, 2003 of \$6,369,650; this was reduced to a deficit of \$3,894,774 at June 30, 2004. This deficit is the result of claims that will be paid over a period of years being recorded when the claim occurs. The County's policy is to provide funding for long term claims on a claims paid basis. All the other funds have positive net assets.

Fiduciary funds. Shelby County reports two fiduciary funds. The largest is the Shelby County Retirement System. The funds in this trust are available only for retirement benefits of current and retired County employees. The accumulated funds in the retirement system are equal to the currently calculated actuarial liability, meaning the system is properly funded. The County provides funding as required each year for the increased liability for benefits being earned by current employees.

The County also maintains agency funds for a number of the County's elected "constitutional officers" (those officials designated by the State's constitution). These funds do not belong to the County, but are funds held for others. There are no "fund balances" for agency funds.

Governmental Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund can be briefly summarized as follows:

- Overall the expenditure budget increased during the year by \$799,102, or about one-fourth of one percent. Actual expenditures were \$8 million below the amended budget, or 2.5%.
- The budget for law enforcement was increased during the year by \$1.2 million, or 1%.
- The budget for public works was increased during the year by \$1.2 million, or 1.7%.
- The budget for general government was decreased during the year by \$3.3 million, or 5.6%.
- The revenue budget was increased during the year by \$4.8 million, or 1.5% over the original budget. The budget for local taxes was increased \$2.2 million as the result of a greater percentage of property tax assessments being collected. The budget for elected officials fines & fees was increased \$1.9 million. Actual revenues were 1.0% above the amended budget.
- Budgeted net transfers out were increased by \$4.0 million.

There were no significant adjustments to the Education Fund budget. The Grants Fund revenue and expenditures/transfers budgets were increased by approximately \$12.8 million, primarily for grants received after the budget was prepared.

Capital Asset and Debt Administration

Capital Assets. Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2004 amounts to \$239,686,669, (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and roads. Infrastructure, primarily roads, acquired prior to July 1, 2001 are not included. GASB Statement No. 34 requires the inclusion of infrastructure acquired beginning July 1, 2001 with retroactive reporting of infrastructure required not later than the County's fiscal year ending June 30, 2006, although early implementation is permitted. The County is in the process of accumulating this historical data in order to implement retroactive reporting of infrastructure.

Major capital asset events during the current fiscal year included the following:

- Roadway improvements, drainage improvements, and sanitary sewer upgrades continued within the County with an estimated cost of \$8.3 million.
- Renovation work continued at the Criminal Justice Complex, with projects including centralization of the floor pod control, jail door retrofit, and jail control center.
- New high-speed printers and software upgrades for the jail management system cost approximately \$1.3 million.
- Funding for the radio frequency and equipment upgrades project was increased by \$3 million, for a project total of \$11.3 million.

Construction in progress as of the end of the current fiscal year was \$42,980,947.

Additional information on Shelby County Government's capital assets can be found in Notes to Financial Statements of this report.

Long-term Debt. At June 30, 2004 Shelby County's general obligation bonded debt (bonds payable) outstanding totaled \$1,619,508,673 which represented approximately 10.4 percent of assessed value. In addition, the County has short-term notes payable of \$39,500,000, which will be converted to long term debt during the next two years. Debt, generally, may be issued without regard to any limit on indebtedness. The ad valorem tax levy is also without legal limit.

The County's bonds payable increased by approximately \$265.2 million (16.4 percent) during the current fiscal year. The key factor in this increase was the conversion of \$318.9 million of notes payable to bonds payable to take advantage of the historically low long term interest rates.

The County uses notes payable programs to initially finance capital projects. This allows the County to borrow only as the proceeds are actually needed and to take advantage of lower short-term interest rates. Annually, the County adopts a five-year capital projects plan. Based on this plan for the current year and capital projects cash flow projections, a notes payable program is established with a maximum borrowing amount. Borrowing occurs as needed for up to two years. After completion of each program, the notes payable are converted to bonds payable to be repaid within 25 years. In fiscal year 2004, a \$115 million notes payable program was authorized that has notes payable of \$39.5 million outstanding at June 30, 2004.

In 1999, the County signed a funding agreement with the Shelby County and the City of Memphis School boards of education to provide \$655,250,000 of capital funding over eight years. Under this agreement, the County is committed to provide approximately \$77 million of capital funding to the schools each of the next two years.

The County maintains ratings from Moody's Investors Service ("Moody's"), Standard & Poor's Corporation ("Standard & Poor's") and Fitch IBCA, Inc. ("Fitch") on its previously issued general obligation bonds not secured by letter of credit as follows:

Moody's Aa2	Standard & Poor's AA+	Fitch IBCA, Inc. AA
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Moody's issues ratings from Aaa to C to designate the relative investment qualities of bonds. The Aa rating is in the second highest of the rating categories. The modifier 2 indicates that the Bonds are in the middle range of the Aa category. Moody's describes its Aa ratings as "Bonds which are rated Aa are judged to be a high quality by all standards. They are rated lower than the best bond because margins of protection may not be as large as in Aaa or fluctuation of protection elements may be of greater amplitude or there may be other elements present which make the long term risk appear somewhat larger than Aaa securities."

Standard & Poor's and Fitch issue ratings from AAA to D to designate the relative investment qualities of bonds. The AA rating is the second highest of the ten such ratings. Standard & Poor's and Fitch describes their rating as "Debt rate AA+ has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree. Plus or minus signs are used to show relative standing within the major rating categories."

Additional information on Shelby County Government's long-term debt can be found in note IV(H) of the Notes to Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

- The June 2004 unemployment rate for Shelby County was 5.9 percent, compared to the state's rate of 4.5 percent and the national average unemployment rate of 5.4 percent.
- Inflationary trends in the region compare favorably to national indices.

The County Mayor and Commission have determined that we need to make every effort to not increasing the property tax rate. With a substantial portion of the County incorporated and annexations increasing the incorporated area, county government is shifting responsibilities to the cities and focusing on our primary mission of education, criminal justice and health.

For fiscal 2005, budgeted general fund expenditures were reduced by \$19 million compared to 2004. A portion of this reduction results from transferring funding for areas such as libraries and parks to the municipalities. In addition, a consulting firm was engaged to perform an efficiency study and assist us in preparing a five year strategic plan. Substantial efficiencies have been identified and implemented. Also, controls have been put in place to minimize hiring to shrink county government through attrition.

Because of the school capital needs and converting notes payable to long term debt to take advantage of low interest rates, debt service expenditures are increasing \$20 million in 2005. The reduction in the general fund budget allowed us to transfer 12 cents of the property tax rate (\$16.7 million) to the debt service fund.

Historically when the County issued bonds for the capital needs of schools, the proceeds were distributed to the two school systems (Shelby County and City of Memphis) based on each system's student average daily attendance. Due to suburban growth, the County school system has experienced a much greater immediate need for capital funds for the past decade or more. While the share of funds distributed to the City school system has permitted the City system to undertake renovation or replacement of deteriorating facilities, the required sharing has been a major factor in the escalating County debt. In 2004, the County Commission approved the financing of a new County school to be repaid from a separate part of the property tax rate that is assessed only to property outside the City of Memphis. This required issuing debt only for the one new school with no sharing of funds with the City school system.

Debt service requirements will continue to increase for the next several years because of the school funding commitment previously noted and the current debt structure. However, various steps are being taken to move towards ending the growth of debt and the debt service requirements. Capital outlays were reduced from \$154 million in 2002 to \$135 million in 2004. The five-year capital improvement plan was updated with reductions in new debt requirements. In 2004, bonds and notes payable for capital outlay increased \$138 million. In 2005, we expect to issue approximately \$100 million of debt for capital outlay.

Requests for Information

This financial report is designed to provide a general overview of Shelby County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator, Department of Finance, Shelby County Government, 160 North Main Street, Memphis, Tennessee 38103.

Shelby County, Tennessee

Statement of Net Assets June 30, 2004

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 112,944,709	\$ 12,727,878	\$ 125,672,587	\$ 32,921,274
Investments	---	---	---	78,991,228
Restricted investments	---	---	---	60,247
Property tax receivable, net of allowance for uncollectibles	608,918,477	---	608,918,477	---
Other receivables	33,227,926	3,713,847	36,941,773	61,920,362
Due from other governmental entities	---	5,157,636	5,157,636	12,796,276
Internal balances	9,752,564	(9,752,564)	---	---
Due from component unit	8,369,267	---	8,369,267	---
Due from primary government	---	---	---	22,000,046
Inventories	178,029	---	178,029	7,017,811
Other assets	3,279,014	254,792	3,533,806	252,956
Deposits held by others	---	---	---	1,440,000
Notes receivable	24,149,861	---	24,149,861	---
Land	10,704,527	---	10,704,527	---
Construction in Progress	42,980,947	---	42,980,947	---
Depreciable capital assets, net	156,090,502	29,910,693	186,001,195	381,409,387
Capital lease receivable	---	---	---	577,371
Total Assets	\$ 1,010,595,823	\$ 42,012,282	\$ 1,052,608,105	\$ 599,386,958
Liabilities:				
Accounts payable and accrued liabilities	\$ 54,081,466	\$ 545,522	\$ 54,626,988	\$ 67,131,687
Interest payable	16,028,460	---	16,028,460	---
Insurance claims payable	13,080,172	---	13,080,172	---
Due to component units	22,000,046	---	22,000,046	---
Due to primary government	---	---	---	8,369,267
Deposits held in trust	7,266,507	308,531	7,575,038	---
Deferred revenue	572,450,222	50,446	572,500,668	618,074
Notes payable	39,500,000	---	39,500,000	120,000
Long-term liabilities:				
Due within one year	71,936,618	2,927,501	74,864,119	614,160
Due in more than one year	1,592,463,648	2,474,921	1,594,938,569	10,536,931
Total Liabilities	2,388,807,139	6,306,921	2,395,114,060	87,390,119
Net Assets:				
Invested in capital assets, net of related debt	(187,605,328)	29,047,386	(158,557,942)	372,931,364
Restricted for:				
Education	---	---	---	3,846,978
Debt service	9,457,475	---	9,457,475	---
Roads and bridges	11,653,582	---	11,653,582	---
Capital outlay	---	---	---	982,750
Other purposes	4,828,939	---	4,828,939	6,705,882
Unrestricted	(1,216,545,984)	6,657,975	(1,209,888,009)	127,529,865
Total Net Assets	(1,378,211,316)	35,705,361	(1,342,505,955)	511,996,839
Total Liabilities and Net Assets	\$ 1,010,595,823	\$ 42,012,282	\$ 1,052,608,105	\$ 599,386,958

The notes to the financial statements are an integral part of this statement.

Shelby County, Tennessee

**Statement of Activities
For the Year Ended June 30, 2004**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 62,965,112	\$ 6,846,800	\$ 13,368,736	\$ ---
Hospital	28,213,585	---	---	---
Planning and development	7,363,302	2,005,359	3,671,553	---
Public works	23,258,832	3,986,253	12,113,602	7,818,000
Corrections	825,555	---	730,360	---
Health services	50,318,012	12,377,808	25,791,351	---
Community services	39,778,703	755,387	35,500,419	---
Law enforcement	126,651,679	4,049,906	1,852,445	---
Judicial	50,271,461	18,282,320	17,752,028	---
Other elected officials	29,561,524	33,106,169	1,287,705	---
Education	428,873,650	---	---	---
Interest on debt	65,885,498	---	9,642,857	---
Total governmental activities	913,966,913	81,410,002	121,711,056	7,818,000
Business-type activities:				
Codes enforcement	8,081,482	8,988,544	---	---
Nursing homes	15,783,099	9,671,556	---	---
Fire Services	11,408,991	11,972,840	46,360	---
Corrections	44,288,051	33,137,935	14,600	---
Total Business-type activities	79,561,623	63,770,875	60,960	---
Total primary government	\$ 993,528,536	\$ 145,180,877	\$ 121,772,016	\$ 7,818,000
Component units:				
Board of Education	\$ 297,422,459	\$ ---	\$ 164,622,210	\$ ---
Shelby County Health Care Corporation	339,843,595	292,083,801	22,166,666	---
Nonmajor Component Units	5,993,254	5,368,211	---	---
Total component units	\$ 643,259,308	\$ 297,452,012	\$ 186,788,876	\$ ---

General revenues:

- Property taxes - levied for education
- Property taxes - levied for debt service
- Property taxes - levied for general government
- Sales taxes
- Business taxes
- Hotel/Motel taxes
- Wheel taxes
- Other taxes

Grants and contributions not restricted to specific programs:

- Payments from Shelby County
- Other sources
- Unrestricted investment earnings

Transfers

- Total general revenues and transfers
- Changes in net assets
- Net assets - June 30, 2003
- Net assets - June 30, 2004

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (42,749,576)	\$ ---	\$ (42,749,576)	\$ ---
(28,213,585)	---	(28,213,585)	---
(1,686,390)	---	(1,686,390)	---
659,023	---	659,023	---
(95,195)	---	(95,195)	---
(12,148,853)	---	(12,148,853)	---
(3,522,897)	---	(3,522,897)	---
(120,749,328)	---	(120,749,328)	---
(14,237,113)	---	(14,237,113)	---
4,832,350	---	4,832,350	---
(428,873,650)	---	(428,873,650)	---
(56,242,641)	---	(56,242,641)	---
(703,027,855)	---	(703,027,855)	---
---	907,062	907,062	---
---	(6,111,543)	(6,111,543)	---
---	610,209	610,209	---
---	(11,135,516)	(11,135,516)	---
---	(15,729,788)	(15,729,788)	---
(703,027,855)	(15,729,788)	(718,757,643)	---
---	---	---	(132,800,249)
---	---	---	(25,593,128)
---	---	---	(625,043)
---	---	---	(159,018,420)
289,847,910	---	289,847,910	---
87,851,513	---	87,851,513	---
205,012,087	---	205,012,087	---
8,097,229	---	8,097,229	39,717,422
8,608,379	---	8,608,379	---
10,723,410	---	10,723,410	---
29,237,924	---	29,237,924	---
26,059,181	---	26,059,181	---
---	---	---	170,710,214
---	357,366	357,366	4,007,007
2,782,079	128,895	2,910,974	2,749,646
(11,861,324)	11,861,324	---	---
656,358,388	12,347,585	668,705,973	217,184,289
(46,669,467)	(3,382,203)	(50,051,670)	58,165,869
(1,331,541,849)	39,087,564	(1,292,454,285)	453,830,970
\$ (1,378,211,316)	\$ 35,705,361	\$ (1,342,505,955)	\$ 511,996,839

Shelby County, Tennessee

**Governmental Funds
Balance Sheet
June 30, 2004**

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 28,150,176	\$ 4,795,690	\$ 41,980,145
Accrued interest receivable	1,002,700	82,138	---
Property tax receivable, net of allowance for uncollectibles	197,002,569	108,531,757	---
Accounts receivable and accrued revenues	9,401,266	90,368	654,712
Due from other governmental entities	3,484,334	---	183,471
Due from other funds	9,511,289	2,870,395	---
Due from component unit	290,075	4,350,984	3,728,208
Advance to other funds	1,982,147	---	---
Deposits held in trust	---	1,810,076	1,021,802
Notes receivable	427,518	10,552,570	12,561,731
Other assets	25,490	---	---
Total Assets	<u>\$ 251,277,564</u>	<u>\$ 133,083,978</u>	<u>\$ 60,130,069</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 13,480,767	\$ 810,437	\$ 4,877,501
Property tax refunds payable	876,859	454,651	---
Due to other governmental entities	499,267	---	---
Due to other funds	5,156,542	---	712,434
Due to component units	---	---	19,975,000
Deposits held in trust	697,047	---	3,642,637
Deferred revenue	195,125,620	122,361,415	16,341,939
Notes payable	---	---	39,500,000
Total Liabilities	<u>215,836,102</u>	<u>123,626,503</u>	<u>85,049,511</u>
Fund Balance (deficit):			
Reserved for:			
Encumbrances	2,102,912	---	---
Advances	1,982,147	---	---
Unreserved:			
Designated for air quality	1,175,164	---	---
Undesignated			
Major Governmental Funds	30,181,239	9,457,475	(24,919,442)
Nonmajor Governmental Special Revenue Funds	---	---	---
Total Fund Balances	<u>35,441,462</u>	<u>9,457,475</u>	<u>(24,919,442)</u>
Total Liabilities and Fund Balances	<u>\$ 251,277,564</u>	<u>\$ 133,083,978</u>	<u>\$ 60,130,069</u>

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,953,888	\$ ---	\$ 13,714,624	\$ 90,594,523
---	---	---	1,084,838
303,384,151	---	---	608,918,477
1,373,358	2,359,397	574,373	14,453,474
---	12,560,509	899,113	17,127,427
1,300,853	---	2,757,122	16,439,659
---	---	---	8,369,267
---	---	---	1,982,147
---	---	270,368	3,102,246
---	608,042	---	24,149,861
---	10,391	---	35,881
<u>\$ 308,012,250</u>	<u>\$ 15,538,339</u>	<u>\$ 18,215,600</u>	<u>\$ 786,257,800</u>
\$ ---	\$ 3,870,149	\$ 1,581,150	\$ 24,620,004
1,306,223	---	---	2,637,733
4,924,152	109,816	394,404	5,927,639
---	1,736,745	1,063,521	8,669,242
2,025,046	---	---	22,000,046
---	2,715,181	211,642	7,266,507
299,756,829	5,588,810	---	639,174,613
---	---	---	39,500,000
<u>308,012,250</u>	<u>14,020,701</u>	<u>3,250,717</u>	<u>749,795,784</u>
---	---	1,028,370	3,131,282
---	---	---	1,982,147
---	---	---	1,175,164
---	1,517,638	---	16,236,910
---	---	13,936,513	13,936,513
<u>---</u>	<u>1,517,638</u>	<u>14,964,883</u>	<u>36,462,016</u>
<u>\$ 308,012,250</u>	<u>\$ 15,538,339</u>	<u>\$ 18,215,600</u>	<u>\$ 786,257,800</u>

**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Assets
June 30, 2004**

Fund balance - total governmental funds (page 33)	\$ 36,462,016
Amounts reported for the governmental activities in the statement of net assets (page 29) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.	209,045,040
Receivables not available to pay for current expenditures and therefore are deferred in the funds	70,189,752
Amounts payable to schools from receivables not available to pay current expenditures	(17,756,827)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(1,676,119,861)
Internal service funds are used by management to charge the costs of central services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	<u>(31,436)</u>
Net assets of governmental activities (page 29)	<u><u>\$ (1,378,211,316)</u></u>

The notes to the financial statements are an integral part of this statement.

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2004

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Local taxes	\$ 227,766,264	\$ 102,572,719	\$ ---
Local revenue	30,407,918	2,741,590	4,456,426
State revenue	20,405,062	1,334,939	100,000
Federal revenue	17,068	---	---
Patient service revenue	700,092	---	---
Elected officials' fines & fees	53,831,496	1,109,900	---
Other revenue	2,443,844	64,474	361,591
Total revenues	335,571,744	107,823,622	4,918,017
Expenditures:			
Current			
General Government	53,014,477	---	---
Hospital	22,566,667	---	---
Planning and Development	2,706,893	---	---
Public Works	8,489,938	---	---
Corrections	---	---	---
Health Services	30,028,845	---	---
Community Services	3,915,220	---	---
Law Enforcement	125,035,376	---	---
Judicial	40,944,456	---	---
Other Elected Officials	27,946,090	---	---
Education	---	---	---
Debt service & related cost	1,734,534	116,577,551	2,354,566
Capital Outlay: Capital Projects	---	---	135,066,176
Total expenditures	316,382,496	116,577,551	137,420,742
Excess (deficiency) of revenues over expenditures	19,189,248	(8,753,929)	(132,502,725)
Other Financing Sources (Uses):			
General obligation bond proceeds at face value	---	---	317,555,000
Bond issue premium (discount), net	---	---	5,471,282
Transfers in	10,503,231	7,823,897	2,750
Transfers out	(19,410,716)	(314,915)	(4,232,901)
Total other financing sources (uses)	(8,907,485)	7,508,982	318,796,131
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	10,281,763	(1,244,947)	186,293,406
Fund balances June 30, 2003	25,159,699	10,702,422	(211,212,848)
Fund balances June 30, 2004	\$ 35,441,462	\$ 9,457,475	\$ (24,919,442)

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ 321,953,079	\$ ---	\$ 12,892,650	\$ 665,184,712
---	6,657,129	1,230,720	45,493,783
---	41,999,648	12,861,377	76,701,026
---	25,475,414	---	25,492,482
---	1,600,136	---	2,300,228
---	---	1,361,105	56,302,501
---	320,069	151,250	3,341,228
321,953,079	76,052,396	28,497,102	874,815,960
---	110,019	11,463,321	64,587,817
---	---	---	22,566,667
---	4,296,648	---	7,003,541
---	2,637,773	9,470,365	20,598,076
---	790,715	---	790,715
---	19,936,479	---	49,965,324
---	35,935,775	---	39,850,995
---	475,424	1,032,691	126,543,491
---	8,909,845	---	49,854,301
---	1,133,870	412,522	29,492,482
321,953,079	---	---	321,953,079
---	---	---	120,666,651
---	---	---	135,066,176
321,953,079	74,226,548	22,378,899	988,939,315
---	1,825,848	6,118,203	(114,123,355)
---	---	---	317,555,000
---	---	---	5,471,282
---	3,791,054	638,751	22,759,683
---	(5,520,264)	(6,926,824)	(36,405,620)
---	(1,729,210)	(6,288,073)	309,380,345
---	96,638	(169,870)	195,256,990
---	1,421,000	15,134,753	(158,794,974)
\$ ---	\$ 1,517,638	\$ 14,964,883	\$ 36,462,016

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
June 30, 2004**

Net change in fund balances - total governmental funds (page 37)	\$ 195,256,990
Amounts reported for the governmental activities in the statement of activities (page 31) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	18,641,258
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,038,073)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(271,061,430)
Changes in other long-term liabilities other than in internal service funds	4,280,527
Internal service funds are used by management to charge the costs of central services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>7,251,261</u>
Change in net assets of governmental activities (page 31)	<u>\$ (46,669,467)</u>

The notes to the financial statements are an integral part of this statement.

Proprietary Funds
Statement of Net Assets
June 30, 2004

Business-type Activities-Enterprise Funds

	Consolidated Codes Enforcement Fund	Oakville Health Care Center	Fire Services Fund
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 12,585,345	\$ ---	\$ 142,533
Accounts receivable and accrued revenues	59,933	---	1,060,912
Due from other governments	---	---	---
Inventories	---	---	---
Deposits held in trust	---	---	---
Total Current Assets	12,645,278	---	1,203,445
Noncurrent Assets:			
Capital assets, net	1,990,667	---	2,912,121
Total Noncurrent Assets	1,990,667	---	2,912,121
Total Assets	\$ 14,635,945	\$ ---	\$ 4,115,566
Liabilities and Net Assets:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 60,800	\$ ---	\$ 31,870
Due to other funds	---	---	---
Insurance claims payable	---	---	---
Advances from other funds	---	---	1,982,147
Deposits held in trust	53,739	---	---
Deferred revenue	50,446	---	---
Sick and annual leave payable	356,372	---	1,059,652
Capital lease obligations	---	---	110,989
Total Current Liabilities	521,357	---	3,184,658
Noncurrent Liabilities:			
Capital lease obligations	---	---	752,318
Sick and annual leave payable	251,331	---	371,763
Claims payable	---	---	---
Total Noncurrent Liabilities	251,331	---	1,124,081
Total Liabilities	772,688	---	4,308,739
Net Assets:			
Invested in capital assets, net of related debt	1,990,667	---	2,048,814
Restricted for group life insurance	---	---	---
Unrestricted	11,872,590	---	(2,241,987)
Total Net Assets	13,863,257	---	(193,173)
Total Liabilities and Net Assets	\$ 14,635,945	\$ ---	\$ 4,115,566

The notes to the financial statements are an integral part of this statement

Corrections Center Fund	Total	Governmental Activities- Internal Service Funds
\$ ---	\$ 12,727,878	\$ 22,350,186
2,593,002	3,713,847	395,674
5,157,636	5,157,636	166,513
---	---	178,029
254,792	254,792	140,887
8,005,430	21,854,153	23,231,289
25,007,905	29,910,693	730,936
25,007,905	29,910,693	730,936
\$ 33,013,335	\$ 51,764,846	\$ 23,962,225
\$ 452,852	\$ 545,522	\$ 3,139,263
7,770,417	7,770,417	---
---	---	13,080,172
---	1,982,147	---
254,792	308,531	---
---	50,446	3,465,361
1,400,488	2,816,512	122,484
---	110,989	---
9,878,549	13,584,564	19,807,280
---	752,318	---
1,099,509	1,722,603	102,058
---	---	4,084,323
1,099,509	2,474,921	4,186,381
10,978,058	16,059,485	23,993,661
25,007,905	29,047,386	730,936
---	---	463,300
(2,972,628)	6,657,975	(1,225,672)
22,035,277	35,705,361	(31,436)
\$ 33,013,335	\$ 51,764,846	\$ 23,962,225

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For The Year Ended June 30, 2004

	Business-type Activities-Enterprise Funds		
	Consolidated Codes Enforcement Fund	Oakville Health Care Center	Fire Services Fund
Operating revenues:			
Patient charges, net	\$ ---	\$ 9,671,556	\$ ---
Federal revenue	---	---	---
State revenue	---	---	46,360
Permits and fees	8,985,894	---	11,972,840
Premium revenue	---	---	---
Charges for services	---	---	---
Other revenue	2,650	---	---
Total operating revenues	8,988,544	9,671,556	12,019,200
Operating expenses:			
Nursing services	---	9,679,892	---
Other professional services	---	---	---
General services	676,888	441,904	781,474
Fiscal and administrative services	7,063,110	4,114,177	10,374,197
Cost of services	---	---	---
Depreciation	341,484	279,282	253,320
Total operating expenses	8,081,482	14,515,255	11,408,991
Operating income (loss)	907,062	(4,843,699)	610,209
Nonoperating revenues (expenses):			
Interest income	127,591	---	1,304
Interest expense	---	(26,638)	---
Other nonoperating revenues	---	357,366	---
Loss on sale of assets	---	(1,241,206)	---
Income (loss) before transfers	1,034,653	(5,754,177)	611,513
Transfers in	---	3,097,434	---
Transfers out	(954,000)	---	(605,000)
Net Transfers	(954,000)	3,097,434	(605,000)
Change in net assets	80,653	(2,656,743)	6,513
Net Assets:			
June 30, 2003	13,782,604	2,656,743	(199,686)
June 30, 2004	\$ 13,863,257	\$ ---	\$ (193,173)

The notes to the financial statements are an integral part of this statement

Corrections Center Fund	Total	Governmental Activities- Internal Service Funds
\$ ---	\$ 9,671,556	\$ ---
14,600	14,600	---
32,185,260	32,231,620	---
952,675	21,911,409	---
---	---	59,302,115
---	---	8,357,682
---	2,650	---
33,152,535	63,831,835	67,659,797
---	9,679,892	---
4,275,035	4,275,035	---
6,088,453	7,988,719	---
32,851,329	54,402,813	1,728,495
---	---	60,344,769
1,073,234	1,947,320	137,195
44,288,051	78,293,779	62,210,459
(11,135,516)	(14,461,944)	5,449,338
---	128,895	17,310
---	(26,638)	---
---	357,366	---
---	(1,241,206)	---
(11,135,516)	(15,243,527)	5,466,648
10,468,262	13,565,696	2,000,000
(145,372)	(1,704,372)	(215,387)
10,322,890	11,861,324	1,784,613
(812,626)	(3,382,203)	7,251,261
22,847,903	39,087,564	(7,282,697)
\$ 22,035,277	\$ 35,705,361	\$ (31,436)

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds		
	Consolidated Codes Enforcement Fund	Oakville Health Care Center	Fire Services Fund
Cash flows from operations:			
Receipts from customers	\$ 9,068,532	\$ 12,040,170	\$ 11,929,105
Premiums received	---	---	---
Cash payments to suppliers	(679,202)	(3,805,911)	(820,080)
Cash payments to employees	(7,019,580)	(12,578,866)	(9,888,509)
Claims paid	---	---	---
Net cash provided by (used in) operating activities	<u>1,369,750</u>	<u>(4,344,607)</u>	<u>1,220,516</u>
Cash flows from noncapital financing activities:			
Non operating revenue	---	357,366	---
Transfers from other funds	---	3,097,434	---
Transfers to other funds	(954,000)	(482,351)	(605,000)
Advances from other funds repayment	---	---	(600,000)
Payments to other funds	---	---	---
Payments from other funds	---	---	---
Net cash provided by (used in) noncapital financing activities	<u>(954,000)</u>	<u>2,972,449</u>	<u>(1,205,000)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	---	---	---
Proceeds from sale of capital assets	---	1,450,000	---
Capital lease obligation payments	---	(52,704)	---
Interest paid	---	(26,638)	---
Net cash used in capital and related financing activities	<u>---</u>	<u>1,370,658</u>	<u>---</u>
Cash flows from investing activities:			
Interest income	<u>127,591</u>	<u>---</u>	<u>1,304</u>
Net cash provided by (used in) investing activities	<u>127,591</u>	<u>---</u>	<u>1,304</u>
Net increase (decrease) in cash and cash equivalents	543,341	(1,500)	16,820
Cash and cash equivalents, June 30, 2003	<u>12,042,004</u>	<u>1,500</u>	<u>125,713</u>
Cash and cash equivalents, June 30, 2004	<u>\$ 12,585,345</u>	<u>\$ ---</u>	<u>\$ 142,533</u>

The notes to the financial statements are an integral part of this statement.

Corrections Center Fund	Total	Governmental Activities- Internal Service Funds
\$ 33,870,016	\$ 66,907,823	\$ 8,227,625
---	---	59,201,775
(10,376,372)	(15,681,565)	(8,545,493)
(32,853,315)	(62,340,270)	(1,819,538)
---	---	(55,003,128)
<u>(9,359,671)</u>	<u>(11,114,012)</u>	<u>2,061,241</u>
---	357,366	---
10,468,262	13,565,696	2,000,000
(145,372)	(2,186,723)	(215,387)
---	(600,000)	---
(702,984)	(702,984)	---
---	---	---
<u>9,619,906</u>	<u>10,433,355</u>	<u>1,784,613</u>
(260,235)	(260,235)	(46,229)
---	1,450,000	---
---	(52,704)	---
---	(26,638)	---
<u>(260,235)</u>	<u>1,110,423</u>	<u>(46,229)</u>
---	128,895	17,310
<u>---</u>	<u>128,895</u>	<u>17,310</u>
---	558,661	3,816,935
---	12,169,217	18,533,251
<u>\$ ---</u>	<u>\$ 12,727,878</u>	<u>\$ 22,350,186</u>
		(continued)

Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds		
	<u>Consolidated Codes Enforcement Fund</u>	<u>Oakville Health Care Center</u>	<u>Fire Services Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	<u>\$ 907,062</u>	<u>\$ (4,843,699)</u>	<u>\$ 610,209</u>
Adjustments:			
Depreciation	341,484	279,282	253,320
Changes in assets and liabilities:			
Accounts receivable	(15,446)	2,368,610	(90,097)
Accounts payable and accrued liabilities	(2,314)	(1,407,278)	(38,604)
Sick and annual leave payable	43,530	(819,620)	485,688
Deferred revenue	41,695	---	---
Deposits	53,739	---	---
Due from other governmental entities	---	---	---
Claims payable	---	---	---
Inventories	---	78,098	---
Total adjustments	<u>462,688</u>	<u>499,092</u>	<u>610,307</u>
Net cash provided by (used in) operating activities	<u><u>\$ 1,369,750</u></u>	<u><u>\$ (4,344,607)</u></u>	<u><u>\$ 1,220,516</u></u>
Noncash investing, capital, and financing activities:			
Asset acquisition through capital lease/sale of capital lease		\$ (458,212)	\$ 863,307
Loss on sale of capital assets		\$ 1,241,206	

The notes to the financial statements are an integral part of this statement.

Corrections Center Fund	Total	Governmental Activities- Internal Service Funds
<u>\$ (11,135,516)</u>	<u>\$ (14,461,944)</u>	<u>\$ 5,449,338</u>
1,073,234	1,947,320	137,195
717,483	2,980,550	(146,941)
(133,724)	(1,581,920)	(2,664,467)
118,852	(171,550)	(91,043)
---	41,695	83,056
---	53,739	228,113
---	---	(166,513)
---	---	(742,955)
---	78,098	(24,542)
<u>1,775,845</u>	<u>3,347,932</u>	<u>(3,388,097)</u>
<u><u>\$ (9,359,671)</u></u>	<u><u>\$ (11,114,012)</u></u>	<u><u>\$ 2,061,241</u></u>

Shelby County, Tennessee

Fiduciary Funds Statement of Fiduciary Net Assets June 30, 2004

	Shelby County Retirement System	Constitutional Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 86,198,520	\$ 25,482,951
Investments:		
U.S. Government and agency obligations	112,920,158	2,000,000
Corporate bonds	121,540,886	---
Corporate stocks	436,950,821	---
Commercial paper	---	9,990,655
Certificates of deposit	---	29,688,000
Other investments	45,963,433	---
Accounts receivable	---	759,968
Accrued interest and dividend receivable	2,962,593	---
Due from brokers - investment sales	2,933,095	---
	<hr/>	<hr/>
Total Assets	\$ 809,469,506	\$ 67,921,574
	<hr/>	<hr/>
Liabilities:		
Accounts payable	\$ 955,823	\$ 7,648
Funds held for others	---	46,766,274
Due to brokers and others	9,919,483	---
Due to other governmental entities	---	21,147,652
	<hr/>	<hr/>
Total Liabilities	10,875,306	\$ 67,921,574
	<hr/>	<hr/>
Net assets held in trust for pension benefits	798,594,200	
Total Net Plan Assets	798,594,200	
	<hr/>	
Total liabilities and net plan assets	\$ 809,469,506	
	<hr/>	

The notes to the financial statements are an integral part of this statement.

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2004

	Shelby County Retirement System
Additions:	
Contributions:	
Employer contributions	\$ 17,836,152
Member contributions	2,165,042
	<u>20,001,194</u>
Total contributions:	
Investment income:	
Net appreciation in fair value of investments	87,970,496
Interest income	12,707,746
Dividend income	5,409,420
Other Income	366,983
	<u>106,454,645</u>
Total investment income	
Less investment management expenses	3,413,913
	<u>103,040,732</u>
Net investment income	
Net additions:	<u>123,041,926</u>
Deductions:	
Benefit payments	36,461,532
Administrative expenses	984,663
Refund of member contributions	1,169,198
	<u>38,615,393</u>
Total deductions:	
Change in net assets	84,426,533
Net assets held in trust for pension benefits:	
June 30, 2003	<u>714,167,667</u>
June 30, 2004	<u>\$ 798,594,200</u>

The notes to the financial statements are an integral part of this statement

Shelby County, Tennessee

Combining Statement of Net Assets Component Units June 30, 2004

	Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total
Assets:				
Current Assets				
Cash and cash equivalents	\$ 13,622,632	\$ 16,724,233	\$ 2,574,409	\$ 32,921,274
Investments	64,221,876	12,463,971	2,305,381	78,991,228
Restricted Investments	---	60,247	---	60,247
Receivables	166,765	60,911,412	842,185	61,920,362
Due from primary government	19,000,046	3,000,000	---	22,000,046
Due from other governments	12,796,276	---	---	12,796,276
Inventories	3,442,854	3,574,957	---	7,017,811
Deposits	---	1,440,000	---	1,440,000
Prepaid expenses	---	242,306	10,650	252,956
Capital lease receivable	---	577,371	---	577,371
Capital assets, net	304,551,290	72,630,208	4,227,889	381,409,387
Total Assets	\$ 417,801,739	\$ 171,624,705	\$ 9,960,514	\$ 599,386,958
Liabilities:				
Accounts payable and accrued expenses	\$ 24,750,789	\$ 42,124,263	\$ 256,635	\$ 67,131,687
Deferred revenue	422,648	22,700	172,726	618,074
Due to primary government	---	8,036,658	332,609	8,369,267
Notes payable	---	---	120,000	120,000
Long-term liabilities				
Due within one year	---	171,468	442,692	614,160
Due in more than one year	---	10,536,931	---	10,536,931
Total Liabilities	25,173,437	60,892,020	1,324,662	87,390,119
Net Assets:				
Invested in capital assets, net of related debt	304,551,290	64,236,897	4,143,177	372,931,364
Restricted for:				
Other	4,224,710	2,151,165	---	6,375,875
Education	3,846,978	---	---	3,846,978
Building construction	---	982,750	---	982,750
Scholarships	---	330,007	---	330,007
Unrestricted	80,005,324	43,031,866	4,492,675	127,529,865
Total Net Assets	392,628,302	110,732,685	8,635,852	511,996,839
Total Liabilities and Net Assets	\$ 417,801,739	\$ 171,624,705	\$ 9,960,514	\$ 599,386,958

The notes to the financial statements are an integral part of this statement.

Shelby County, Tennessee

**Combining Statement of Activities
Component Units
For the Year Ended June 30, 2004**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Board of Education				
Instruction programs	\$ 204,821,804	\$ ---	\$ 143,677,376	\$ ---
Support services	7,674,560	---	---	---
Contracted health services	438,008	---	---	---
General administration	21,409,550	---	---	---
Operation of plant	28,147,183	---	---	---
Student transportation	10,364,093	---	---	---
Food services	14,003,245	---	10,348,707	---
Student activities	10,564,016	---	10,596,127	---
Total Board of Education	<u>297,422,459</u>	<u>---</u>	<u>164,622,210</u>	<u>---</u>
Shelby County Health Care Corporation	339,843,595	292,083,801	22,166,666	---
Nonmajor Component Units	<u>5,993,254</u>	<u>5,368,211</u>	<u>---</u>	<u>---</u>
Total component units	<u>\$ 643,259,308</u>	<u>\$ 297,452,012</u>	<u>\$ 186,788,876</u>	<u>\$ ---</u>

General revenues:
 Shelby County
 Local sales tax
 Other sources
 Unrestricted investment earnings
 Total general revenues
 Changes in net assets
 Net assets - June 30, 2003
 Net assets - June 30, 2004

The notes to the financial statements are an integral part of this statement

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(A) Reporting Entity**

Shelby County, Tennessee (the County) is governed by an elected mayor and a thirteen member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The County has no blended component units. Each discretely presented component unit is reported in a separate column in the combining component unit financial statements (see notes below for descriptions) with combined totals in government-wide financial statements to emphasize that they are legally separate from the government. Each discretely presented component unit has a June 30 year-end and their separate financial statements are available as indicated below. The significant accounting policies followed by component units are generally the same as those followed by the primary government.

Discretely Presented Component Units:***Major Component Units***

Shelby County Board of Education (the Board of Education) – The Board of Education is fiscally dependent on the County which levies taxes for the Board's operation and issues debt for its capital projects. The operations of the Shelby County Board of Education are reported as a governmental component unit. The financial statements for the Shelby County Board of Education can be obtained from Shelby County Board of Education, 160 South Hollywood, Memphis, Tennessee 38112, (901) 321-2500.

Shelby County Health Care Corporation (the Med) -- The County Mayor appoints the Med Board of Directors and substantial funding is provided by the County. The Med is reported as a proprietary component unit. The financial statements for the Med can be obtained from Shelby County Health Care Corporation, C/O Regional Medical Center at Memphis, 877 Jefferson Avenue, Memphis, Tennessee 38103, (901) 545-8234.

Other Component Units

Agricenter International, Inc. – The County Mayor appoints the members of the Agricenter Commission and substantial funding is provided by the County. Agricenter International, Inc. is reported as a proprietary component unit. The financial statements for Agricenter International, Inc. can be obtained from Agricenter International, Inc., 7777 Walnut Grove Road, Memphis, Tennessee 38120, (901) 757-7777.

Emergency Communications District of Shelby County, Tennessee (the District) – The District was established in 1984, pursuant to the provisions of Chapter 867 of the Public Acts of 1984 of the State of Tennessee. The District is responsible for establishing local emergency telephone service and a primary emergency telephone number for the residents of Shelby County. The District is governed by a nine-member board of directors, appointed by the County Mayor and approved by the County Board of Commissioners. The District's board has the authority to levy an emergency telephone service charge to be used to fund the operation of the District. The District must obtain County Commission approval before the issuance of most debt and the County Commission has the ability to adjust the District's service charges. The Emergency Communications District is reported as a proprietary component unit. The financial statements for the District can be obtained from Emergency Communications District of Shelby County, Tennessee, 1835 Union Ave. Suite 104, Memphis, Tennessee 38104, (901) 276-4911.

(B) Governmental Accounting Standards Board Statement No. 34 (GASBS No. 34)

GASB No. 34 *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments* was implemented for the year ended June 30, 2002. The statement substantially changed the financial reporting of state and local governments, including the requirement of government-wide financial statements. This statement also requires the reporting of infrastructure (roads, bridges, etc.) as an asset beginning July 1, 2001. Retroactive reporting of infrastructure assets is required by the County's fiscal year ending June 30, 2006. Infrastructure assets acquired since July 1, 2001 are included in this report but, infrastructure assets acquired prior to July 1, 2001 are not included.

(C) Government-wide and Fund Financial Statements

The government-wide financial statements - the statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Similarly, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are

recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipt taxes, sales taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for and the payment of principal, interest and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital facilities and equipment. The primary funding source is bond proceeds.

The *Education Fund* accounts for tax collections allocated for school operations.

The *Grants Fund* accounts for the receipt and expenditure of federal, state and local government grants and designated contributions to be used for approved programs.

The County reports the following major proprietary funds:

The *Consolidated Codes Enforcement Fund* accounts for the operations of the Memphis and Shelby County Office of Construction Codes Enforcement. Revenues are generated through permit and inspection fees charged by the office.

The *Oakville Health Care Center Fund* accounts for the operations of in-patient nursing facilities. Revenues are generated from patient charges and reimbursement providers.

The *Fire Services Fund* accounts for operations of the Shelby County Fire Department. The Fire Department services the areas of Shelby County not within any municipality. Revenues are generated through fees charged to residents in the service area.

The *Corrections Center Fund* accounts for the operations of the Shelby County Corrections Center. Approximately 75-80% of the population at this facility are State prisoners. For State prisoners, the State reimburses the County's actual cost per prisoner day, including depreciation expense and indirect costs.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent FASB guidance.

Additionally, the County reports the following fund types:

Internal Service Funds account for telecommunications, mail services, printing, fleet services, group health and life insurance, other employer insurance, and tort liability insurance provided to other departments and agencies of the County, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* accounts for the activities of the County's retirement plan, which accumulates resources for pension payments to employees.

Agency Funds account for assets held by the County in an agent capacity.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Similarly, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales, services, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

(E) Assets, Liabilities, and Equity

Deposits and Investments

Cash and cash equivalents include cash on hand, amounts on deposit with the Shelby County Trustee, demand deposits, savings accounts and temporary investments. The County considers repurchase agreements and temporary investments purchased with an original maturity of three months or less at the time of purchase to be cash equivalents. The County pools substantially all of its cash and cash equivalents. Each fund participating in the cash and cash equivalents pool owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon average balances.

Investments of the government, as well as its component units are stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The State Local Government Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Property taxes are recorded as revenues in the fiscal year of the levy. Property taxes based on property values during the current fiscal year but levied for the next fiscal year are recorded as receivables and deferred revenue.

Property tax refunds payable are shown separately as a liability. Allowances for doubtful accounts are maintained for receivables which historically experience uncollectible accounts.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation. Infrastructure assets do not include such assets acquired prior to July 1, 2001.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10
Buildings	40
Equipment	3-10
Infrastructure	50

Deferred Revenue

Deferred revenue represent amounts that were receivable and measurable at June 30, 2004 but were not available to finance expenditures for the year ended June 30, 2004. Deferred revenues primarily include unearned or unavailable revenues from property taxes, operating subsidies received in advance, and notes receivable.

Claims and Judgments

Claims and judgments which can be reasonably estimated and could result in probable material losses to the County have been given proper recognition under U.S. generally accepted accounting principles. For governmental funds and similar fund types, the liability is recognized within the applicable fund if it is expected to be liquidated with expendable, available financial resources. All other material unpaid claims and judgments are recorded as a liability in the Governmental Activities of the Primary Government. In Proprietary and similar fund types, probable and measurable loss contingencies are recorded as incurred within the applicable fund.

Landfill Postclosure Care Costs

State and Federal laws and regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure of its landfill sites. The \$3.68 million reported as postclosure care liability at June 30, 2004 represents the estimated postclosure care costs that have not been paid for the Walnut Grove and Shake Rag Road Landfills. The estimate is based on what it would cost to perform all postclosure care as of the end of FY04. Actual future costs may differ due to inflation, changes in technology, or changes in regulations. The landfills have been closed and the County has no landfills currently in operation. No County assets are restricted for landfill closure costs. However, the County has entered into a surety contract in lieu of a performance bond as a commitment to comply with the terms set forth in its 30 year post-closure maintenance plan for the Shake Rag Road Landfill. This surety contract is with the State of Tennessee under the State's cooperative agreement with the Environmental Protection Agency (EPA). There is no surety contract pertaining to Walnut Grove Landfill.

Compensated Absences

County employees are granted sick and annual leave in varying amounts in accordance with administrative policies and union memorandums of understanding. Accumulated vacation days are required to be used annually, with a maximum accumulation of one and one-half times the amount of leave an employee can earn in a year. In the event of termination or retirement, the employees are reimbursed for accumulated vacation days. Generally, employees are reimbursed for accumulated sick leave, not to exceed the lesser of 75 days or \$5,772, only upon retirement. Certain exceptions to this policy occur in accordance with the terms of various union agreements.

All sick and annual pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is not reported in governmental funds.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Interest Rate Swaps

Shelby County has entered into several interest rate swap agreements to modify interest rates on outstanding debt. Amounts received to enter swap agreements are recorded as revenue in the Debt Service Fund. In the government-wide financial statements, such amounts are amortized over the life of the swap agreement. These agreements provide for net interest payments to or from the County which are also recorded in the Debt Service Fund.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**(A) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,676,119,861 are as follows:

Bonds payable	\$ 1,580,998,223
Accreted value on bonds	38,510,450
Net premium and issuance cost on bonds issued	11,544,931
Bond swap liability	1,799,182
Accrued interest payable	16,028,460
Claims and judgements	6,000,000
Compensated absences	17,555,471
Landfill post-closure	<u>3,683,144</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at net assets – governmental activities	<u>\$ 1,676,119,861</u>

(B) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$18,641,258 difference are as follows:

Capital Outlay	\$ 20,845,836
Developer Contributions	7,718,000
Depreciation expense	<u>(9,922,578)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 18,641,258</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$271,061,430 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 317,555,000
Premium on debt issued, net of issuance costs and amortization	4,719,918
Accretion of zero coupon bonds	1,348,704
Change in accrued interest expense	1,091,946
Principal repayments:	
General obligation debt	<u>(53,654,138)</u>
Net adjustment to decrease <i>net changes in fund balances – total</i>	
<i>governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 271,061,430</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) Budgetary Information

The revenues and expenditures accounted for in each of the General Fund, Special Revenue Funds and Debt Service Fund have legally adopted budgets and are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern County operations. The County Board of Commissioners approves and appropriates the budgets for these funds annually.

Expenditures may not exceed appropriations by line item at the department level. The County Mayor is authorized to transfer budgeted amounts between line items of the same category (personnel related versus all other types of expenditures) of the same division (group of departments). Any adjustments that create a new line item, increase the total budget, or require transfers between divisions or categories must be approved by the County Board of Commissioners. The reported budgetary data has been revised for amendments authorized during the year and thereafter.

All funds requiring legally adopted budgets have budgets which are adopted on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds. Encumbrances represent significant commitments related to unperformed purchase orders, contracts, or other commitments for goods or services. Encumbrance accounting -- under which purchase orders, contracts, and other commitments for future expenditures of funds are recorded in order to reserve that portion of the applicable appropriation -- is utilized in the governmental funds during the year to facilitate effective budgetary control. Encumbrances outstanding at year-end are reported as reservations of the applicable fund balances, but do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(B) Deficit Fund Equity

The deficit in the Capital Projects Fund of \$24,919,442 results from the use of short-term debt (notes payable of \$39,500,000 as of June 30, 2004) to fund capital projects, pending the issuance of long-term debt.

The Employer Insurance Fund, an Internal Service Fund, has deficit net assets at June 30, 2004 of \$3,894,774. The Fund incurs long-term claims that are recognized as liabilities, however, they will be funded on a current basis. The long-term portion of these claims was \$4,084,323 at June 30, 2004. Also, premiums have been increased and other

steps have been taken which reduced the deficit net assets by \$2,474,876 in 2004 and are expected to continue to reduce this deficit.

IV. DETAILED NOTES ON ALL FUNDS

(A) Deposits and Investments

The County utilizes a cash pool and an investment pool that is available for use by all funds, except the Pension Trust Fund. Additionally, separate bank accounts and/or investments are maintained by the County's Constitutional Officers.

Cash and Cash Equivalents:

At June 30, 2004, the carrying amount of the County's deposits with financial institutions required to be collateralized or insured by state law, was \$5,774,037 and the bank balance was \$7,551,873, all of which was insured by the Federal Depository Insurance Corporation or the State Treasurer's Collateral Pool (Category 1). Statutes require that the securities pledged have a face value of 105% of the deposits being secured. Cash and cash equivalents with a carrying amount of \$86,198,520 and a bank balance of \$86,681,229 are maintained by the Shelby County Retirement System Pension Trust Fund, included in the primary government Fiduciary Funds. Of the bank balance, \$929,567 was collateralized by securities held by the County or the County's agent in the County's name (Category 1) and \$85,751,662 was uncollateralized (Category 3). These funds are not required by State law to be collateralized or insured.

Cash and cash equivalents of the primary government at June 30, 2004 consisted of:

Governmental and business-type activities:	
County deposits	\$ 5,774,037
State Treasurer's Pool	119,898,550
Fiduciary activities:	
Pension Trust Fund	86,198,520
Constitutional Officers Agency Fund	<u>25,482,951</u>
Total Primary Government	<u>\$ 237,354,058</u>

The County has a multiyear agreement with a financial institution that provides for monthly charges for the various services rendered which is offset by a monthly earnings credit for funds on deposit. The County has an overnight overdraft privilege with this financial institution of up to \$60,000,000. As of June 30, 2004 the County had no borrowings against this overdraft privilege.

At June 30, 2004 the Shelby County Health Care Corporation (a major component unit) had deposits and investments that were uninsured and uncollateralized (Category 3) of \$2,373,897. Also at June 30, 2004 the Agricenter International (a nonmajor component unit) had deposits of \$446,648 that were uninsured and uncollateralized (Category 3).

Investments:

Investments of the County are accounted for at fair value. Statutes authorize the County to invest in obligations of the U.S. Treasury, obligations guaranteed as to principal and interest by the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federal chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its

agencies as the underlying securities, commercial paper, and the State of Tennessee's Local Government Investment Pool. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transactions.

The Pension Trust Fund is also authorized to invest in common and preferred stocks, corporate bonds, commercial paper rated A-2 or better by Standard & Poors and/or P-2 or better by Moody's, real estate, venture capital investments, co-mingled investment funds, and call option writing programs. Investment parameters for the Pension Trust Fund require that no more than 60% of total investments of the fund be in stock, that corporate bonds be rated B3 or better, and that no more than 5% of the portfolio be in real estate and 12% in international equities. No restrictions exist on U.S. Government or Agency issues. The Board of Administration also authorized two investments in a limited partnership.

Investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or component units or its agent in the County's or component unit's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's or component unit's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's or component unit's name.

At June 30, 2004 the Primary Government's investments were as follows:

<u>Investment Type</u>	<u>Category 1</u>	<u>Carrying Amount</u>
<i>Pension Trust Fund (Fiduciary Fund)</i>		
U.S. government & agency securities	\$ 112,920,158	\$ 112,920,158
Corporate bonds	121,540,886	121,540,886
Common stock	436,133,666	436,133,666
Preferred stock	817,155	817,155
Total	<u>\$ 671,411,865</u>	<u>671,411,865</u>

Investments not subject to categorization:

Collective Trust	33,134,241
Limited partnership interest	<u>12,829,192</u>
Total Pension Trust Fund investments	<u>\$ 717,375,298</u>

	<u>Category 1 Carrying Amount</u>
<i>Constitutional Officers Agency Fund (Fiduciary Fund)</i>	
Certificates of deposit	\$ 29,688,000
U. S. government securities	2,000,000
Commercial paper	<u>9,990,655</u>
Total Constitutional Officers Agency Fund investments	<u>\$ 41,678,655</u>
Total primary government investments	<u>\$ 759,053,953</u>

(B) Property Taxes Receivable

Property taxes attach an enforceable lien on property on January 1 of each year. The various types of property are assessed at a percentage of market value as follows:

Farm and residential real property	25%
Commercial/industrial real property	40%
Commercial/industrial tangible personal property	30%
Commercial/industrial intangible personal property	40%
Public utilities real/personal property	55%

The assessed value on which the fiscal 2004 tax bills were based was \$15,156,208,029. The estimated market value was \$51,388,472,610, making the overall assessed value 29.5% of the estimated market value. Taxes are due October 1 and delinquent March 1 of the following year. Current tax collections for the year were 98.16% of the tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee State law and County charter, is set annually on or after July 1, by the County Board of Commissioners and collected by the County Trustee. The County allocated the property tax per \$100 of the assessed value as follows:

General Fund	\$ 1.43
Debt Service Funds	.58
Boards of Education	<u>2.03</u>
Countywide Tax Rate	<u>\$ 4.04</u>
Debt Service—Rural School Bonds	<u>\$.05</u>

The \$0.05 for debt service on rural school bonds only applies to properties outside the city of Memphis.

Property taxes receivable as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Education Fund	Debt Service Funds	Total
Property taxes receivable	\$ 204,825,195	\$ 314,488,998	\$ 111,704,570	\$ 631,018,763
Less allowance for uncollectibles	<u>(7,822,626)</u>	<u>(11,104,847)</u>	<u>(3,172,813)</u>	<u>(22,100,286)</u>
	<u>\$ 197,002,569</u>	<u>\$ 303,384,151</u>	<u>\$ 108,531,757</u>	<u>\$ 608,918,477</u>

Note IV(G) includes detail of deferred revenue relating to property taxes.

(C) Notes Receivable

Notes receivable consist of the following:

	<u>Amount</u>	<u>Collateral</u>
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest through 2005	<u>\$ 427,518</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5.0% interest through 2019	<u>\$ 608,042</u>	Land & Building
<i>Capital Projects Fund</i>		
Mid South Coliseum note due in annual installments of \$21,993 including interest at 6.26% through 2014	\$ 159,889	None
Depot Redevelopment note due in annual payments plus semi-annual interest payments through August 1, 2022	3,570,000	None
Peabody Place Parking Garage note due in annual payments plus semi-annual interest payments through June 30, 2024	8,831,842	None
Rock-N-Soul Museum note due in 10 annual installments of \$100,000 plus interest at 5.00% through August 31, 2010	1,000,000	None
Less: Allowance for doubtful accounts	<u>(1,000,000)</u>	
Total Capital Projects Fund	<u>\$ 12,561,731</u>	
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.375% through 2020	<u>\$ 10,552,570</u>	Land & Building

In fiscal 2002 an allowance for doubtful accounts was established in the amount of \$1,000,000 for the Rock-N-Soul Museum.

Note IV(G) includes detail of deferred revenue relating to notes receivable. The Debt Service Fund and the Capital Projects Fund have notes receivable from Shelby County Health Care Corporation in the amounts of \$4,350,984 and 3,685,674 respectively, which are classified as Due from Component Units for financial statement purposes. The General Fund and Capital Projects Fund have notes receivable in the amounts of \$290,075 and \$42,534 respectively from the Agricenter Component Unit, which are classified as Due from Component Units for financial statement purposes.

(D) Leases Receivable

The County leases certain real property described as Shelby Place Restaurant ("Butcher Shop of Cordova and Executive Chef"), for the sum of \$192,500 annually, additional rent of 5% of gross sales less taxes after recoupment of base rent and in lieu of tax payments. The term of the lease commenced on March 1, 1993. The first option term of five years is currently in effect and will expire in 2008. There are three additional option terms of five years each available. The rental income is recognized as revenue in the Debt Service Fund. Executive Chef

has entered bankruptcy. At June 30, 2004 they owed \$25,625 for which an allowance for doubtful accounts has been provided.

(E) Capital Assets

Capital asset activity for the year ended June 30, 2004 is detailed below.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,704,527	\$ ---	\$ ---	\$ 10,704,527
Construction in progress	30,235,656	14,606,763	(1,861,472)	42,980,947
Total not being depreciated	<u>40,940,183</u>	<u>14,606,763</u>	<u>(1,861,472)</u>	<u>53,685,474</u>
Capital assets being depreciated:				
Land Improvements	1,150,683	26,000	---	1,176,683
Buildings	187,730,952	1,347,561	---	189,078,513
Equipment	59,767,629	5,262,753	(745,186)	64,285,196
Infrastructure	13,796,554	9,262,410	---	23,058,964
Total being depreciated	<u>262,445,818</u>	<u>15,898,724</u>	<u>(745,186)</u>	<u>277,599,356</u>
Less accumulated depreciation:				
Land improvements	436,649	86,989	---	523,638
Buildings	61,688,363	4,673,488	---	66,361,851
Equipment	48,882,725	3,563,393	(738,389)	51,707,729
Infrastructure	1,152,581	1,763,055	---	2,915,636
Total accumulated depreciation	<u>112,160,318</u>	<u>10,086,925</u>	<u>(738,389)</u>	<u>121,508,854</u>
Total capital assets being depreciated, net	<u>150,285,500</u>	<u>5,811,799</u>	<u>(6,797)</u>	<u>156,090,502</u>
Governmental activities capital assets, net	<u>\$ 191,225,683</u>	<u>\$ 20,418,562</u>	<u>\$ (1,868,269)</u>	<u>\$ 209,775,976</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 299,343	\$ ---	\$ (299,343)	\$ ---
Capital assets being depreciated:				
Buildings	52,707,684	1,112,072	(7,366,284)	46,453,472
Equipment	10,992,795	993,116	(2,963,494)	9,022,417
Total being depreciated	<u>63,700,479</u>	<u>2,105,188</u>	<u>(10,329,778)</u>	<u>55,475,889</u>
Less accumulated depreciation:				
Buildings	20,591,037	1,982,135	(3,760,925)	18,812,247
Equipment	9,524,895	727,772	(3,499,718)	6,752,949
Total accumulated depreciation	<u>30,115,932</u>	<u>2,709,907</u>	<u>(7,260,643)</u>	<u>25,565,196</u>
Business-type activities capital assets, net	<u>\$ 33,584,547</u>	<u>\$ (604,719)</u>	<u>\$ (3,069,135)</u>	<u>\$ 29,910,693</u>

Depreciable land improvements consist of parking lots attached to the Sheriff Department Training Center and the Juvenile Court building.

A summary of governmental capital assets, net and depreciation expense by function follows:

	Capital Assets, Net	Depreciation Expense
Governmental activities:		
General Government	\$ 98,222,951	\$ 5,510,694
Planning & Development	61,865	40,011
Public Works	20,773,410	1,067,654
Corrections	432,336	34,840
Health Services	4,528,441	432,259
Community Services	132,099	49,008
Law Enforcement	34,515,949	1,792,897
Judicial	7,149,443	582,026
Other Elected Officials	978,535	413,189
	<u>166,795,029</u>	<u>9,922,578</u>
Construction in progress	42,980,947	---
Total governmental activities	<u>\$ 209,775,976</u>	<u>\$ 9,922,578</u>

Substantially all general fixed assets purchased are funded from general governmental revenues, exclusive of any grants or other special revenues.

(F) Lease Obligations

Operating Leases

The county leases office space and transportation equipment under operating leases expiring during the next seven years. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2004:

Fiscal Year	Primary Government
2005	\$ 1,847,276
2006	1,245,358
2007	804,616
2008	690,599
2009	631,834
2010	608,285
2011	359,629
	<u>\$ 6,187,597</u>

Rent expense for the year ended June 30, 2004 was \$1,557,720 for the primary government.

(G) Deferred Revenue

Deferred revenues consist of the following:

	General Fund	Debt Service Fund	Education Fund	Grants Fund	Capital Projects Fund	Totals
Unearned:						
Property Taxes receivable	\$ 182,000,000	\$ 100,000,000	\$ 282,000,000	\$ ---	\$ ---	\$ 564,000,000
Grant revenue	---	---	---	4,984,861	---	4,984,861
Not Available:						
Property Taxes receivable	12,585,846	7,457,861	17,756,829	---	---	37,800,536
Notes receivable	427,518	10,552,570	---	603,949	12,561,731	24,145,768
Due from Shelby County						
Health Care Corporation	---	4,350,984	---	---	3,685,674	8,036,658
Due from Agricenter	40,075	---	---	---	42,534	82,609
Other	72,181	---	---	---	52,000	124,181
	<u>\$ 195,125,620</u>	<u>\$ 122,361,415</u>	<u>\$ 299,756,829</u>	<u>\$ 5,588,810</u>	<u>\$ 16,341,939</u>	<u>\$ 639,174,613</u>

Internal Service Funds have deferred revenue of \$3,465,361 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$50,446 for building permits and licensing fees paid in advance.

(H) Long-term Liabilities

Changes in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	Due Within One Year
Governmental activities:					
Bonds payable	\$ 1,354,259,107	\$ 318,903,704	\$ (53,654,138)	\$ 1,619,508,673	\$ 57,560,007
Net premium and issuance					
cost of bonds issued	6,825,013	5,403,555	(683,637)	11,544,931	1,566,802
Deferred swap proceeds	4,615,483	---	(2,816,301)	1,799,182	1,799,182
Claims and judgements	11,408,305	---	(1,323,982)	10,084,323	61,291
Landfill postclosure care costs	3,718,559	---	(35,415)	3,683,144	44,198
Sick and annual leave	18,149,866	353,167	(723,019)	17,780,013	10,905,138
Total governmental activities	<u>\$ 1,398,976,333</u>	<u>\$ 324,660,426</u>	<u>\$ (59,236,492)</u>	<u>\$ 1,664,400,266</u>	<u>\$ 71,936,618</u>
Business-type activities:					
Claims and judgements	700,000	---	(700,000)	---	---
Capitalized lease obligations	510,915	863,307	(510,915)	863,307	110,989
Sick and annual leave	4,710,665	---	(171,550)	4,539,115	2,816,512
Total business-type activities	<u>\$ 5,921,580</u>	<u>\$ 863,307</u>	<u>\$ (1,382,465)</u>	<u>\$ 5,402,422</u>	<u>\$ 2,927,501</u>

Bonds payable additions include \$1,348,704 accretion of zero coupon bonds.

General Obligations Bonds:

These obligations are direct general obligations of the County and are backed by its full faith and credit, and unlimited taxing power of the County and represent borrowings for the following:

General Government	\$ 667,904,373
Education	<u>913,093,850</u>
	1,580,998,223
Accreted value of bonds	<u>38,510,450</u>
	<u>\$ 1,619,508,673</u>

Interest expensed in Debt Service Funds during the fiscal year ended June 30, 2004 was \$62,404,048. Interest expense at the government-wide level was \$65,885,498.

In addition to the General Obligation bonds reported in Long-term Debt there is \$39,500,000 reported in the Capital Projects Funds for the Extendible Municipal Commercial Paper Notes (EMCP) 2004A program sold and outstanding as of June 30, 2004.

The County defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service requirements on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. Of the original principal, \$204,195,542 of outstanding bonds that were advance refunded prior to Fiscal Year 2004 are considered defeased at June 30, 2004. Specific defeased maturities are shown on the Supplemental Schedules of General Obligations Bonds.

In December 2003, \$32,110,000 in General Obligation Special School Bonds, 2003 Series A, were issued to finance the cost of construction and equipping a public high school. The bonds are limited tax obligations of the County upon all taxable property in the County located outside the boundaries of the Board of Education of the City

of Memphis, Tennessee, which constitutes the area of the County outside of the boundaries of the City of Memphis, Tennessee. The Bonds bear interest at rates ranging from 2.5 percent to 5.0 percent.

In March, 2004, \$47,740,000 in General Obligation Public Improvement and School Bonds, 2004 Series A were issued to refinance the costs of public works projects, including schools, previously financed with a portion of the County's outstanding Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes of 2001 Series A and 2003 Series A which were retired with the proceeds of the Bonds. The 2004 Series A Bonds bear interest at rates ranging from 3.0 percent to 5.0 percent.

In April, 2004, \$237,705,000 in General Obligation Variable Rate Demand Public Improvement and School Bonds, 2004 Series B were issued to refinance the costs of public works projects, including schools, previously financed with a portion of the County's outstanding Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes of 2001 Series A and 2003 Series A, which were retired with the proceeds of the Bonds. The 2004 Series B Variable Rate Demand Bonds have an initial rate period from April 15, 2004 to January 10, 2005. Interest earned during this period will be paid at the end of the Initial Interest Rate Period. Thereafter the Bonds will be issued in a Weekly Rate Period mode. Subject to the conditions set forth in the Resolution adopted on March 8, 2004 by the Board of County Commissioners of Shelby County, Tennessee, each bond may operate at any time in one of six Rate Periods: a Daily Rate Period, a Weekly Rate Period, a Monthly Rate Period, a Commercial Paper Period, a Medium Term Rate Period and a Fixed Rate Period. Contemporaneously with the issuance of the 2004 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds, Shelby County Government entered into a Interest Rate Swap Agreement with Morgan Stanley Capital Services, Inc. In general, the payment obligations of the County under the Swap Agreement consist of the obligation to pay a fixed interest rate of 2.696% on a beginning notional amount of \$235,000,000.00. The notional amount drops to \$135,000,000.00 on April 1, 2009 where it stays at this amount until the maturity date of April 1, 2014. The fixed interest rate will be offset by amounts received by the County from Morgan Stanley Capital Services, Inc., which will pay the County a floating rate index of 70% of USD-LIBOR-BBA.

In May 2004, the Shelby County Board of Commissioners authorized the issuance of up to \$115,000,000.00 in Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, 2004 Series A Program. The aggregate outstanding principal amount may not exceed \$115,000,000.00 at any time. The Notes will be issued in anticipation of the County's issuance of certain general obligation bonds and general obligation school bonds in aggregate principal amount not exceeding \$115,000,000.00 for the purpose of funding various public works and school projects. The general obligation bonds are expected to retire the Notes within two years of the initial issuance of the Notes. The original maturity date will range from 1 to 90 days from the original issue date of each Note. On the original maturity date of a note, the County has the option to extend the maturity date to the date that is 270 days after the date of original issuance of such note. As of June 30, 2004, Shelby County has issued \$39,500,000 in EMCP Notes under this program.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 2.50% to 6.75%. The County does not accrue interest on bonds payable therefore unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and notes and 4.115% for the 1999 Series A Variable Demand Refunding Bonds, 6.035% for the 2000 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds Refunding, and 5.345% for the 2001 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds and 3.041% for the 2004 Series B General Obligation Variable Rate Demand Public Improvement and school bonds.

Years Ending June 30	Principal	Interest	Total
2005	57,560,007	78,234,022	135,794,028
2006	64,105,753	72,674,212	136,779,964
2007	61,273,182	75,587,286	136,860,468
2008	71,575,650	65,421,250	136,996,900
2009	75,528,150	61,753,033	137,281,183
2010	82,490,000	54,502,001	136,992,001
2011	88,080,000	50,485,261	138,565,261
2012	77,526,807	61,880,511	139,407,318
2013	75,204,649	64,040,956	139,245,604
2014	89,362,657	47,232,503	136,595,159
2015	85,777,794	43,225,160	129,002,955
2016	70,353,077	35,575,249	105,928,326
2017	67,980,497	36,950,102	104,930,599
2018	73,605,000	25,910,137	99,515,137
2019	76,665,000	22,499,169	99,164,169
2020	69,625,000	19,059,959	88,684,959
2021	65,410,000	15,915,804	81,325,804
2022	61,090,000	12,940,310	74,030,310
2023	58,935,000	10,202,586	69,137,586
2024	55,845,000	7,619,280	63,464,280
2025	35,740,000	5,193,126	40,933,126
2026	23,305,000	3,889,465	27,194,465
2027	25,545,000	3,034,132	28,579,132
2028	28,005,000	2,097,722	30,102,722
2029	20,245,000	1,076,756	21,321,756
2030	20,165,000	459,913	20,624,913
	1,580,998,223	877,459,905	2,458,458,120
Accreted value of Bonds	38,510,450	(38,510,450)	---
	<u>\$ 1,619,508,673</u>	<u>\$ 838,949,455</u>	<u>\$ 2,458,458,120</u>

As of June 30, 2004 Shelby County has seven interest rate swap agreements, described as follows:

Swap One, Executed with Morgan Guaranty Trust Company on 12/18/1998 in connection with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2000 Series A:

Swap Objectives: Shelby County (the "County") received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon exercise of the option, the County would currently refund a portion of its 1992 Series A Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/30/1999	12/2/1999	3/1/2008	\$16,600,000	6.035%	BMA	\$ 1,275,000

On 12/18/1998, the County received \$1,275,000 for granting the Counterparty, Morgan Guaranty Trust Company ("Morgan"), the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 1999. Morgan had the right to exercise the option by notifying the County on 11/30/1999. The option was exercised and the swap began on 12/2/1999 with the County paying 6.035% and receiving the Bond Market Association Municipal Swap Index (BMA) until 3/1/2008, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$16,600,000 and have the same principal amortization.

Fair Value of Swap Option: As of 6/30/2004, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2004, has a net value of (\$672,625). The total mark-to-market was (\$820,848) of which approximately \$148,223 is accrued interest from 3/3/2004 to the valuation date, 6/30/2004. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement date implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2000 Series A that refunded the 1992 Series A Bonds. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/04 (assuming BMA equals its current level of 1.05% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2005	\$ 2,100,000	\$ 94,908	\$ 453,635	\$ 2,648,543
2006	2,200,000	73,040	348,950	2,621,990
2007	2,300,000	50,130	239,280	2,589,410
2008	2,500,000	26,178	124,553	2,650,731
Total	\$ 9,100,000	\$ 244,256	\$ 1,166,418	\$ 10,510,674

Credit Risk: Because the swap has a negative value on 6/30/2004, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time. Also, if the swap is terminated, the County will be exposed to interest rate risk because the variable rate bonds will no longer carry synthetic fixed rate.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in 2008.

Basis Risk: The swap exposes the County to basis risk if there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket. Basis risk is present if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be realized.

Swap Two, Executed with Morgan Guaranty Trust Company on 12/18/1998 in connection with the General Obligation Weekly Adjustable Fixed Rate Refunding Bonds, 2001 Series A:

Swap Objective: The County received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon the counterparty's exercise of the option, the County would currently refund a portion of its 1992 Series B and 1993 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/29/2000	12/1/2000	3/1/2011	\$21,800,000	5.345%	BMA	\$ 1,025,000

On 12/18/1998, the swaption was executed and the County received \$1,025,000 for granting the Counterparty, Morgan Guaranty Trust Company, the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 12/1/2000. Morgan had the right to exercise the option by notifying the County on 11/29/2000. The option was exercised and the swap began on 12/1/2000 with the County paying 5.345% and receiving BMA until 3/1/2011, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$21,800,000 and have the same principal amortization.

Fair Value of Swap and Option: As of 6/30/2004, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2004, has a net value of (\$1,648,520). The total mark-to-market was (\$1,911,860) of which approximately \$263,340 is accrued interest from 3/3/2004 to the valuation date, 6/30/2004. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2001 Series A which refunded a portion of the 1992 Series B Bonds and 1993 Series A Bonds. As of 6/30/2004, below are the principal and interest requirements of the debt and the net swap payments (assuming BMA equals its current level of 1.05% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2005	\$ 2,100,000	\$ 195,841	\$ 807,460	\$ 3,103,301
2006	2,300,000	173,972	717,265	3,191,237
2007	1,100,000	150,021	618,480	1,868,501
2008	1,100,000	138,565	570,852	1,809,417
2009	1,200,000	127,047	523,990	1,851,037
2010	1,200,000	114,551	472,450	1,787,001
2011	9,800,000	102,054	420,910	10,322,964
Total	<u>\$ 18,800,000</u>	<u>\$ 1,002,051</u>	<u>\$ 4,131,407</u>	<u>\$ 23,933,458</u>

Credit Risk: Because the swap has a negative value on 6/30/2004, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the variable rate bonds until maturity in March 2011.

Basis Risk: The swap exposes the County to basis risk if there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket. Basis risk is present if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be realized.

Swap Three, Executed with Morgan Guaranty on 12/18/1998 in connection with the Anticipated General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2005 Series A:

Swap Objective: The County received an upfront payment from the Counterparty for entering into a swaption. This swaption gives the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. If the option is exercised, the County would currently refund a portion of its 1995 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	12/30/2004	1/1/2005	10/1/2015	\$35,800,000	5.416%	BMA	\$ 1,325,000

On 12/18/1998, the County received \$1,325,000 for granting the Counterparty, Morgan Guaranty Trust Company, the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 1/1/2005. Morgan has the right to exercise the option by notifying the County on 12/30/2004. If the option is exercised the swap will begin on 1/1/2005, the first call date of the 1995 Series A Bonds, with the County paying 5.416% and receiving BMA until 10/1/2015, the maturity date of the bonds. The swap and refunding bonds have the same original notional amount of \$35,800,000 and have the same principal amortization.

Fair Value of Swap and Option: As of 6/30/2004, the swap had a fair value of (\$3,874,500) against the County. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dated implied from the current yield curve.

Associated Debt and Swap Payments: If the Counterparty exercises the option, the swap will be associated with the anticipated General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2005 Series A which will refund a portion of the 1995 Series A Bonds.

Credit Risk: Currently the swaption itself does not expose the County to credit risk. However, should the option be exercised in the future, the underlying swap could expose the County to credit risk, depending on the fair market value of the swap at that time.

Market Access Risk: If the option is exercised by Morgan, the County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in 2005. If the County is not able to issue the bonds because of some unforeseen event, it may not realize the expected cost savings. If the option is exercised and the variable rate refunding bonds are not issued, the County would still make the swap payments as required by the swap agreement.

Termination Risk: If either party's rating falls causing a termination and, at the time of termination, the mark-to-market is negative against the county, the County may owe a payment.

Swap Four, Executed with Goldman Sachs Mitsui Marines Derivative Products on 1/15/1999 in connection with the 1999 Series A G.O. Variable Rate Demand Refunding Bonds:

Swap Objective: In order to lower its borrowing cost, the County entered into a swap in connection with its 1999 Series A G.O. Variable Rate Demand Refunding Bonds. The variable rate bonds were issued to advance refund a portion of various outstanding G.O. bonds issues. At the time, the synthetic fixed rate swap was favorable when compared to savings that could be achieved with traditional fixed rate refunding bond issue. Additionally, the County entered into this tax language swap to effectively lower the fixed rate it would pay on the swap.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
1/15/1999	1/28/1999	4/1/2020	\$ 96,150,000	4.115%	Actual Bond Rate or Alternative Index (1)

(1) under certain circumstances

On 1/28/1999, the swap became effective at the same time the 1999 Series A G.O. Variable Rate Demand Refunding Bonds were issued. Under the terms of the swap, the County pays 4.115% to the Counterparty, Goldman Sachs Mitsui Marines Derivative Products, LP, ("Goldman"), and in return receives the Actual Bond Rate or an Alternative Index. If certain events occur, Goldman has the option to cause the Floating Rate Index to be converted from the Actual Bond Rate to the Alternative Index, or vice versa. The Alternative Index is either the BMA index or 65% of 30-day commercial paper. The swap and refunding bonds had the same original notional amount of \$96,150,000 and have the same principal amortization and maturity.

Fair Value of Swap: As of 6/30/2004, the swap had a negative fair value of (\$2,160,050), assuming Goldman pays the County the Actual Bond Rate until maturity. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 1999 Series A G.O. Variable Rate Demand Refunding Bonds that advance refunded portions of several bonds issues. As of 6/30/2004, below are the

principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level of 1.05% for the term of the swap, and Goldman pays the Actual Bond Rate to the County of BMA plus 5 basis points. The net swap payments will fluctuate as BMA changes and the Actual Bond Rate change.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2005	\$ 125,000	\$ 1,003,278	\$ 3,934,899	\$ 5,063,177
2006	125,000	1,001,969	3,929,755	5,056,724
2007	150,000	1,000,660	3,924,611	5,075,271
2008	16,225,000	999,089	3,918,439	21,142,528
2009	625,000	828,260	3,250,780	4,704,040
2010	675,000	821,716	3,225,061	4,721,777
2011	9,650,000	814,648	3,197,285	13,661,933
2012	13,325,000	713,600	2,800,188	16,838,788
2013	9,300,000	573,304	2,251,864	12,125,168
2014	14,625,000	475,922	1,869,169	16,970,091
2015	12,750,000	322,780	1,267,350	14,340,130
2016	4,100,000	189,272	742,688	5,031,960
2017	4,250,000	146,104	573,973	4,970,077
2018	4,500,000	101,601	399,085	5,000,686
2019	4,675,000	54,481	213,910	4,943,391
2020	525,000	5,528	21,534	552,062
Total	\$ 95,625,000	\$ 9,052,212	\$ 35,520,591	\$ 140,197,803

Credit Risk: Because the swap has a negative value on 6/30/2004, the county does not have credit risk to Goldman. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Goldman are Aaa/AAA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination or the county exercises its option to terminate, the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Goldman may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's. The County also has the option to terminate the contract with at least 30 days notice to Goldman. The County will not exercise its termination option if a payment would be payable by the County unless the County provides evidence to Goldman that a termination payment will be made on the Early Termination Date.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in April, 2020.

Basis Risk: Currently, the county is receiving the Actual Bond Rate so no basis risk exists. However, should certain events occur and the swap is converted to the Alternative Index of 65% of 30-day commercial paper or the BMA Index, the County could be exposed to basis risk. The basis risk will arise from the difference between the

actual interest rate paid on the variable rate bonds and the receipt from Goldman of 65% of 30-day commercial paper or the BMA Index. This basis differential could cause the expected savings to not be achieved.

Swap Five, Executed with Goldman Sachs Mitsui Marines Derivative Products on 9/17/2001 in connection with Several Bonds Issues:

Swap Objective: In 2001, the County entered into a forward starting swap that will produce a synthetic variable rate. The swap had a forward starting nature in order to increase the fixed rate received by the County. Under the terms of the swap, the County will receive a fixed rate of 4.00% and pay the BMA index. The County entered into this fixed receiver swap in order to gain variable rate exposure, better match assets and liabilities, and receive upfront cash.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Receiver Rate	Floating Rate Index	Upfront Payment for Termination Option
9/17/2001	9/15/2003	9/15/2011	\$ 100,000,000	4.000%	BMA	\$ 5,008,700

On 9/17/01, the County entered into a forward starting swap that became effective on 9/15/2003. Under the terms of the swap, the County pays the BMA index, which was 1.05% on 6/30/2004. In return, the County receives a fixed rate of 4.00% from the Counterparty, Goldman. In addition, on 9/17/2001, the county received \$5,008,700 from Goldman for granting Goldman the right to cancel the swap anytime, with 45 days notice to the County, from 9/15/2003 until the maturity of the swap, 9/15/2011.

Fair Value of Swap Option: As of 6/30/2004, the swap had a fair value in the County's favor of \$2,759,300. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dated implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with several issues: 1997 Series B G.O. Refunding Bonds, 1997 Series A G.O. Special Purpose Refunding Bonds, 1996 Series B G.O. Refunding Bonds, and 1996 Series A G.O. Economic Development Refunding Bonds.

Credit Risk: The County has credit exposure to Goldman equivalent to the fair market value of \$6,955,000. If Goldman fails to perform under the terms of the swap contract, the County could have a loss equal to \$6,955,000. As of 6/30/2004, the ratings of Goldman are Aaa/AAA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination (other than Goldman's exercise of its option to cancel the swap), the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have risen and the fair value is negative to the County. An unscheduled end will also affect the County's asset/liability strategy because the fixed rate bonds will no longer carry a synthetic floating rate. If Goldman exercises its option to cancel the swap both parties are relieved of all further payment obligations except for unpaid accruals.

Interest Rate Risk: Because the County is paying a floating rate index under the swap, it is subject to interest rate risk. As BMA rises, the County's swap payments rise.

Swap Six, Executed with Regions Bank on 5/23/2003 in connection with the Anticipated 2005 Series G.O. Refunding Bonds:

Swap Objective: The County received an upfront payment of \$4,398,000 from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap on April 1, 2005 or April 1, 2006. If the Counterparty exercises the option, the County will currently refund a portion of its 1995 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County would pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates and to receive an upfront cash payment for budgetary needs.

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
5/23/2003	3/30/2005 or 3/30/2006	4/1/2005 or 4/1/2006	04/01/2013	\$52,590,000	5.30%	70% of Libor	\$ 4,398,000

On 5/23/2003, the County entered into a swaption with Regions Bank ("Regions"), and the County was paid \$4,398,000 by Regions for this option. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 5.30% and receive 70% of Libor. If the option is exercised, Regions will pay \$500,000 for cost of issuance. In addition to the cost of issuance, Regions will also pay an additional premium equal to 1% of the notional amount if the option is exercised on 3/30/2005. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap of 5.30% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds, would equal the average coupon on the 1995 Series A G.O. Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2004, the swap had a negative fair value of (\$3,054,691). This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue.

Credit Risk: Currently, the swaption itself does not expose the County to credit risk. However, should the option be exercised in the future, the underlying swap could expose the County to a credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of Regions' long-term unsecured and unsubordinated debt, deposit, or letter of credit obligations below a rating of A in the case of Standard & Poor's and A2 in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the swap contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to Regions for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's long-term unsecured and unsubordinated debt, deposit, or letter of credit obligations below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2004, the ratings of Regions are Aa3/A+ by Moody's and Standard & Poor's respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, the potential savings could be affected depending on the relationship between the variable rate on the bonds and the floating receipt of 70% of Libor from Regions.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1995 bonds would not be refunded and the County would make swap payments as required by the swap contract. Thus, the expected savings may not be realized.

Swap Seven, Executed with Morgan Stanley Capital Services, Inc. on 3/18/2004 in connection with the 2004 Series B G.O. Variable Rate Public Improvement and School Bonds:

Swap Objective: In order to have a fixed rate obligation for a period of 10 years, the County entered into a swap in connection with its 2004 G.O. Variable Rate Public Improvement and School Bonds. At the time of swap execution, the synthetic fixed rate swap was favorable when compared to the rates that could be achieved with a traditional fixed rate bond. The County entered into a forward starting swap with a forward period of 1 month in to remove the uncertainty of interest rate movement. Given the swap was executed approximately 1 month prior to the issuance of the Bonds, the County decided to use a swap notional of \$235,000,000 because final bond sizing had not been determined. Additionally, the County entered into a 70% of Libor fixed payer swap instead of a BMA fixed payer swap because the County felt the lower fixed payer rate associated with the % of Libor swap sufficiently rewarded the County for taking on both basis and tax risk.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
03/18/2004	04/22/2004	04/1/2014	\$ 235,000,000	2.696%	70% of 1 Month Libor

On 4/22/2004, the swap became effective at the same time the 2004 G.O. Variable Rate Public Improvement and School Bonds were issued. Under the terms of the swap, the County pays 2.696% to the Counterparty, Morgan Stanley Capital Services, Inc. ("Morgan Stanley"), and in return receives 70% of 1 Month Libor. The original swap notional was \$235,000,000 while the bonds original notional was \$237,705,000. The Bonds and swap also have different principal amortization and maturity. The bonds mature April 1, 2030. The swap matures in 2014 because the County wanted a fixed component via the swap for 10 years and in 2014, the County wanted the flexibility to take on variable rate exposure, enter into another fixed payer swap, or issue fixed rate debt. The notional amount decreases from \$235,000,000 to \$135,000,000 effective April 1, 2009 through the termination date April 1, 2014.

Fair Value of Swap and Option: As of 6/30/2004, the swap had a positive fair value of \$9,878,666. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 2004 G.O. Variable Rate Public Improvement and School Bonds. As of 6/30/2004, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level of 1.05% for the term of the swap, and Morgan Stanley pays 70% of 1 Month Libor to the County which as of 6/30/2004 equals 0.9581% (1.36875% x 70%). The net swap payments will fluctuate as 70% of Libor changes.

Fiscal Year Ending June 30	Variable Rate Bonds		Swap Notional Amount	Net Swap Payments	Total
	Principal	Interest			
2005	\$ ---	\$ 2,527,058	\$ 235,000,000	\$ 4,052,734	\$ 6,579,792
2006	---	2,527,058	235,000,000	4,052,734	6,579,792
2007	---	2,527,058	235,000,000	4,052,734	6,579,792
2008	---	2,527,058	235,000,000	4,046,480	6,573,538
2009	---	2,527,058	235,000,000	4,052,734	6,579,792
2010	---	2,527,058	135,000,000	2,328,166	4,855,224
2011	---	2,527,058	135,000,000	2,328,166	4,855,224
2012	---	2,527,058	135,000,000	2,324,573	4,851,631
2013	---	2,527,058	135,000,000	2,328,166	4,855,224
2014	---	2,527,058	135,000,000	2,328,166	4,855,224
2015	8,290,000	2,527,058		---	10,817,058
2016	9,120,000	2,439,046		---	11,559,046
2017	10,030,000	2,341,690		---	12,371,690
2018	11,030,000	2,235,204		---	13,265,204
2019	12,140,000	2,118,103		---	14,258,103
2020	13,350,000	1,989,216		---	15,339,216
2021	14,685,000	1,846,705		---	16,531,705
2022	16,155,000	1,690,799		---	17,845,799
2023	17,770,000	1,519,287		---	19,289,287
2024	19,545,000	1,330,629		---	20,875,629
2025	21,500,000	1,121,986		---	22,621,986
2026	13,775,000	893,728		---	14,668,728
2027	15,150,000	747,483		---	15,897,483
2028	16,665,000	586,641		---	17,251,641
2029	18,335,000	408,742		---	18,743,742
2030	20,165,000	214,085		---	20,379,085
Total	\$ 237,705,000	\$ 49,280,982		\$ 31,894,653	\$318,880,635

Credit Risk: The County has credit exposure to Morgan Stanley equivalent to the fair value of \$9,878,666. If Morgan Stanley fails to perform under the terms of the swap contract, the County could have a loss equal to \$9,878,666. As of 6/30/2004, the ratings of Morgan Stanley are Aa3/A+ by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Morgan Stanley equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Morgan Stanley may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below Baa1 from Moody's and/or BBB+ from Standard & Poor's. As of 6/30/2004, the ratings of Morgan Stanley are Aa3/A+ by Moody's and Standard & Poor's, respectively.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to the swap maturity in 2014, the County will have interest rate risk associated with the outstanding variable rate bonds. Additionally, after the swap

matures in 2014, if the County decides not to enter into another fixed payer swap or traditionally fix the debt, the county will have interest rate risk until the bonds mature on April 1, 2030.

Basis Risk: The County is receiving 70% of 1Month Libor from Morgan Stanley so basis risk exists. The basis risk arises from the difference between the actual interest rate paid on the variable rate bonds (i.e., BMA +/- spread) and the receipt from Morgan Stanley of 70% of 1Month Libor. This basis differential could cause the expected interest cost to increase.

Claims and judgments:

The County has recognized long-term liabilities for claims and judgments of \$10,084,323 in accordance with its accounting policy explained in Note I(E). The liabilities are based on property damage and personal injury lawsuits arising in the course of operations.

(I) Interfund Receivables, Payables, and Transfers

Interfund receivables and payables consist of the following:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Corrections Fund	\$ 7,770,417
	Capital Projects Fund	872
	Grants Fund	1,736,745
	Solid Waste Management Fund	3,255
Debt Service Fund	General Fund	1,300,853
	Hotel Motel Tax fund	1,060,266
	Capital Projects Fund	509,276
Hotel Motel Tax Fund	General Fund	2,222,464
Education Fund	General Fund	1,300,853
Car Rental Tax Fund	General Fund	332,372
Roads and Bridges	Capital Projects Fund	202,286
Total		<u>\$ 16,439,659</u>

Receivable Entity	Payable Entity	Amount
General Fund	Agricenter International Component Unit	\$ 290,075
Debt Service Fund	The Med Component Unit	4,350,984
Capital Projects Fund	Agricenter International Component Unit	42,534
	The Med Component Unit	3,685,674
Board of Education Component Unit	Capital Projects Fund	16,975,000
The Med Component Unit		3,000,000
Board of Education Component Unit	Education Fund	2,025,046
Total		<u>\$ 30,369,313</u>

These balances resulted from timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds occur.

Transfers during the year were as follows:

Transfer Out:	Transfer In:	Amount
General Fund	Correction Center Fund	\$ 10,197,565
	Debt Service Fund	441,102
	Grants Fund	3,210,083
	Oakville Health Care Center	3,097,434
	Nonmajor Governmental Funds	292,264
	General Fund	172,268
	Internal Service Funds	2,000,000
Debt Service Fund	General Fund	314,915
Nonmajor Governmental Funds	Debt Service Fund	5,060,266
	General Fund	1,830,000
	Capital Projects Fund	2,750
	Grants Fund	33,808
Capital Projects Fund	Debt Service Fund	2,322,529
	Correction Center Fund	185,680
	Nonmajor Governmental Funds	345,487
	General Fund	1,379,205
Grants Fund	General Fund	5,033,456
	Grants Fund	401,791
	Correction Center Fund	85,017
Total Transfers Out by Governmental Fund Types		<u>36,405,620</u>
Correction Center Fund	Grants Fund	145,372
Fire Fund	General Fund	604,000
	Nonmajor Governmental Fund	1,000
Consolidated Codes Enforcement Fund	General Fund	954,000
Internal Service Funds	General Fund	215,387
Total Transfers Out by Proprietary Fund Types and Internal Service Funds		<u>1,919,759</u>
Total All Fund Types		<u>\$ 38,325,379</u>

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(J) Other Revenue

The other revenue classification is used in the combined, combining, and individual fund financial statements and in the supplemental schedules and statistical section of the comprehensive annual financial report. This category is one of the revenue line items included in the legally adopted budget approved annually by the Board of Commissioners. Certain revenue accounts which are not accurately described by any of the other revenue classifications included in the budget (local taxes, local revenues, state revenue, federal revenue, patient service revenue, elected officials' fees and fines) are classified as other revenue. Other revenue for the year ended June 30, 2004 is detailed below:

	General Fund	Debt Service Funds	Capital Projects Fund	Grant Funds	Other Governmental Funds	Total Governmental Funds
Investment income	\$ 2,139,312	\$ 64,474	\$ 355,897	\$ 53,834	\$ 151,250	\$ 2,764,767
Miscellaneous income	304,532	---	5,694	266,235	---	576,461
Total other revenue	<u>\$ 2,443,844</u>	<u>\$ 64,474</u>	<u>\$ 361,591</u>	<u>\$ 320,069</u>	<u>\$ 151,250</u>	<u>\$ 3,341,228</u>

(K) Risk Financing and Related Insurance Issues

Shelby County maintains a self-insured Group Hospital Insurance Fund for its active and retired employees and their dependents, funded by participation of both the County and its employees. Incurred but not reported (IBNR) claims liabilities of the Group Hospital Insurance Fund were actuarially determined. This calculation was based on prior years' claims expense and the current year's actual claims incurred. The long term liabilities for IBNR claims are presented at present value.

The schedule below presents the changes in IBNR liabilities for the past two years for the Group Hospital Insurance Fund:

	2004	2003
Insurance claims liabilities at the beginning of the fiscal year	\$ 11,006,275	\$ 8,960,188
Incurred claims and claim adjustment expenses	45,836,999	67,145,071
Payment of claims and claim adjustment expenses	<u>(47,742,274)</u>	<u>(65,098,984)</u>
Claims liabilities at the end of the fiscal year	<u>\$ 9,101,000</u>	<u>\$ 11,006,275</u>

IBNR claims are included in Insurance Claims Payable.

The County maintains a self-insured Tort Liability Fund funded by premiums paid by departments using county vehicles and by an operating transfer from the General Fund. Claims liabilities of the Tort Liability Fund were

estimated based on prior years' claims expense, current year's actual claims, and a review of pending litigation through the County Attorney.

The schedule below presents the changes in claims liabilities for the past two years for the Tort Liability Fund:

	2004	2003
Tort claims liabilities at the beginning of the fiscal year	\$ 2,118,035	\$ 2,666,453
Incurred claims and claim adjustment expenses	1,758,419	21,341
Payment of claims and claim adjustment expenses	<u>(477,825)</u>	<u>(569,759)</u>
Claims liabilities at the end of the fiscal year	<u>\$ 3,398,629</u>	<u>\$ 2,118,035</u>

The County maintains a self-insured Employer Insurance Fund, for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. Claims liabilities of the Employer Insurance Fund were estimated based on prior year's claims expense and current year's actual claims incurred.

The schedule below presents the changes in claims liabilities for the past two years for the Employer Insurance Fund:

	2004	2003
Insurance claims liabilities at the beginning of the fiscal year	\$ 8,996,944	\$ 8,642,625
Incurred claims and claim adjustment expenses	2,271,935	3,333,704
Payment of claims and claim adjustment expenses	<u>(5,040,737)</u>	<u>(2,979,385)</u>
Claims liabilities at the end of the fiscal year	<u>\$ 6,228,142</u>	<u>\$ 8,996,944</u>

The County's other insurance fund is the Group Life Insurance Fund, which reported expenses of \$2,257,878 for claims incurred for the year ended June 30, 2004.

(L) Contingencies and Commitments

The County has commitments at June 30, 2004 for outstanding purchase orders and outstanding contracts reported as reserves for encumbrances of the governmental funds. In addition, commitments for capital projects total \$43,368,308 as of June 30, 2004. Notes payable have been authorized and are available as needed to fund these capital projects.

The Memphis and Shelby County Sports Authority, Inc. is a jointly governed organization that has issued revenue bonds for construction of a sports and entertainment facility. Although the City of Memphis and Shelby County are not legally liable for the debt, they have agreed to share equally in the payment of the debt if the Authority is unable to pay. See further explanations in Note IV(M).

(M) Joint Ventures, Jointly Governed Organizations, and Related Organizations***Joint Ventures:******New Memphis Arena Public Building Authority of Memphis and Shelby County (New PBA)***

The New Memphis Arena Public Building Authority of Memphis and Shelby County was created in August 2001 by Shelby County and the City of Memphis. It is a nonprofit corporation established under statutes of the State of Tennessee. The New PBA is governed by a Board of Directors whose members are jointly appointed by the mayors of the City and the County and approved by the Memphis City Council and the Shelby County Commission.

In June 2001 the City of Memphis, Shelby County, and HOOPS, L.P. (the NBA franchise ownership entity) entered into the "Memphis Arena Project Agreement." Under this agreement a new arena would be constructed and leased to HOOPS, L.P. as part of the agreement to bring a professional basketball (NBA) team to Memphis. The primary purpose of the New PBA was to construct and hold title to this new multi-purpose sports and entertainment facility; this facility is now known as FedExForum. As of the date of this report construction of the facility is substantially complete.

Funding for construction of the facility is being provided primarily through the Memphis and Shelby County Sports Authority, Inc. Funding arrangements are explained further in the following section for this jointly governed organization.

Financial statements for the New PBA may be obtained from the New Memphis Arena PBA, 195 Linden Avenue, Memphis, Tennessee 38103.

Memphis Cook Convention Center (the Convention Center)

The Convention Center is managed by an eight-member board consisting of four members appointed by the Mayor of the City of Memphis (the City) and confirmed by City Council, and four members appointed by the County Mayor and confirmed by the Board of Commissioners. The board is responsible for reporting the results of operations of the Convention Center semi-annually to both the City and the County. On August 21, 2000, the City and County entered into a contract with a third party to promote, operate, and manage the Convention Center. The original term of the contract was a three year period, August 21, 2000 to August 20, 2003, with an optional extension through August 20, 2005, which has been exercised. That option was exercised and the contract was extended. The City and County share equally in the profits of the Convention Center and are responsible for funding any deficit from operations in the same proportion. This obligation is currently funded for both governments from the proceeds of the Hotel Motel Tax. The County does not hold an equity interest in this entity. (The Hotel Motel Tax Fund contributed \$1,768,345 to the operations of the Convention Center during the year ended June 30, 2004.) Financial statements for the Convention Center may be obtained from Memphis Cook Convention Center, 255 N. Main Street, Memphis, Tennessee, 38103.

Mid-South Coliseum (the Coliseum)

The Coliseum is a joint operation between the City and the County. The City and County share in profits or fund any deficits from operations in a ratio of 60% and 40%, respectively. As a result of the non-compete clause in the agreement with the National Basketball Association Franchise Owners, the future financial liability of this facility is questionable. The County does not hold an equity interest in this entity. Financial statements for the Coliseum may be obtained from the Mid-South Coliseum, The Fairgrounds, Memphis, Tennessee, 38104.

Pyramid Arena

In November 1987, the City of Memphis and the County entered into a joint-venture arrangement creating the Public Building Authority of Memphis and Shelby County (PBA). The PBA is a not-for-profit corporation created for the purpose of constructing the Pyramid, a multipurpose facility with the primary use as a basketball arena. The City and the County each separately issued bonds for their share of the construction cost of the Pyramid, with the debt remaining an obligation of the issuer. The PBA currently exists solely to hold title to the building and has no ongoing financial operations. The Pyramid was then leased back jointly to the City and the County for operation. The County does not hold an equity interest in the PBA.

On July 1, 1991, the City and County entered into a contract with a third party (SMG) to manage, operate, market and promote the Pyramid. The term of the contract was for the three year period, July 1, 1991 to June 30, 1994, with a renewal clause for up to three additional five year terms. The current renewal period expires June 30, 2009. The City and County will each appropriate one-half of the necessary funds to sustain operations based upon each government's approval of an operating budget. During the year ended June 30, 2004, the City and the County made contributions to the operating budget of the Pyramid of \$247,801 and \$197,801, respectively. Excess operating revenue net of management fees and operating expenses, as defined under the management agreement, will be paid to the City and the County upon demand. As provided for in the management agreement, cash in excess of \$500,000 will also be paid to the City and the County upon demand. No excess cash was returned in fiscal year 2004. As a result of the non-compete clause in the agreement with the National Basketball Association Franchise Owners, the future financial liability of this facility is questionable. Financial statements for the Pyramid Arena Operations may be obtained from the Pyramid Arena, One Auction Street, Memphis, Tennessee, 38105.

Memphis and Shelby County Port Commission (the Port Commission)

The Port Commission, a joint operation between the City and the County, is managed by a seven member board. Three of the board members are appointed by the City and two are appointed by the County. In addition, the Director of Engineering of the City and the Director of Public Works of the County serve as ex officio members of the board with the right to vote. Excess revenues of the Port Commission are distributed equally to the City and the County. The County's revenue share from the Port Commission for the year ended June 30, 2004 was \$349,644. Any deficits of the Port Commission are funded equally by the City and the County. The County does not hold an equity interest in this entity. Financial statements for the Port Commission may be obtained from the Memphis and Shelby County Port Commission, P.O. Box 13142, Memphis, Tennessee, 38113.

The following is a summary of the financial information of the joint ventures, as of, and for the year ended June 30, 2004 (not covered by the report of independent accountants):

	Memphis Cook Convention Center	Mid-South Coliseum	Pyramid Arena	Port Commission	New Memphis Areana PBA (a)
Assets	\$ 14,730,808	\$ 1,468,010	\$ 1,755,132	\$ 29,504,389	\$ 153,875,821
Liabilities	1,135,376	716,865	1,022,521	7,506,284	15,529,094
Net assets	13,595,432	751,153	732,611	22,001,105	138,346,727
Operating revenues	3,043,836	1,654,553	3,457,894	1,403,332	924,650
Operating expenses	5,115,314	2,175,291	3,814,075	2,214,260	883,710
Other income	1,769,546	24,675	450,925	81,709	99,754,616
Other expenses	1,582,937	---	---	425,587	---
Change in net assets	(1,884,869)	(496,063)	94,744	(1,154,806)	99,795,556

(a) Fiscal year-end December 31, 2003.

Jointly Governed Organizations:

The County, in conjunction with the City created the following organizations that are not considered joint ventures as the County and the City do not retain an ongoing financial interest or responsibility.

Airport Authority (the Authority)

The Authority selects management staff, sets user charges, established budgets and controls all aspects of general aviation, airport management and development. Six of the seven board members are appointed by the City Mayor and one by the County Mayor, all for seven year terms.

Memphis and Shelby County Center City Commission (the Commission)

The Commission is an organization responsible for promotion and redevelopment of the Memphis Center City area. Board members (seven) are appointed by the City and the County Mayors, with approval by the City Council and the County Commission, for three year terms.

Memphis Center City Revenue Finance Corporation (the Finance Corporation)

The Finance Corporation is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance to development projects. The City and County Mayors appoint the Board members (nine), with approval of the City Council and the County Commission, for six year terms.

The Depot Redevelopment Corporation of Memphis and Shelby County was established by the City of Memphis and Shelby County to determine and to establish a reuse plan and management strategy for the Memphis Depot which was closed as a military base by the United States Government.

Industrial Development Board of the City and County of Shelby, Tennessee operates as a nonprofit corporation for the purpose of promoting industrial development in the City and County. Board members (nine) are appointed by the City and the County Mayors, with approval by the City Council and the County Commission, for six year terms.

Memphis and Shelby County Sports Authority, Inc. (the Authority)

The Memphis and Shelby County Sports Authority, Inc. is a jointly governed organization of the City of Memphis and Shelby County. The Authority was chartered in 1997 under a State statute that permits sports authorities to receive certain sales taxes generated by major league sports franchises. Board members are jointly appointed by the mayors of the City and the County and approved by the Memphis City Council and the Shelby County Commission.

The Authority has issued long-term debt totaling \$222,825,306 as of December 31, 2003 (the latest available audited financial report) in connection with the construction of a new sports and entertainment facility (now known as FedExForum). See information above relative to the New Memphis Arena Public Building Authority of Memphis and Shelby County, a joint venture. These revenue bonds are payable from seat rental fees, certain state sales taxes generated by the professional basketball team, car rental taxes, City and County-wide hotel/motel taxes, and in lieu of tax payments by the Memphis Light Gas and Water Division. Although the bond indentures state that the City and County are not legally liable for the indebtedness, under agreement the City and County have agreed to pay, in equal amounts, the debt if the Authority is unable to pay.

Related Organizations:

The County appoints a voting majority of the board, but is not financially accountable for the Health, Housing and Education Facilities Board or the Shelby County Housing Authority.

The Med has an investment in Memphis Managed Care (MMC), a TennCare MCO, that pays The Med a fixed per diem for inpatient services and pays for outpatient services on a fee for service basis. For the years ended June 30, 2004 and 2003, The Med recorded gross charges of approximately \$100.3 million and \$76.0 million, respectively, from MMC. At June 30, 2004 and 2003, The Med had receivables of approximately \$2.2 million and \$4.7 million, respectively from MMC.

(N) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County does not hold the assets in a fiduciary capacity, therefore in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the plan is not included in the County's June 30, 2004 financial statements.

(O) Other Post – Employment Benefits

In addition to providing pension benefits, the County provides certain health care and life insurance benefits for retired employees in accordance with policy established by the County Board of Commissioners. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid. For 2004 the County provided these benefits to 1,894 retirees at a cost of \$10,392,783.

(P) Pensions**Shelby County Retirement System**

The Shelby County Retirement System (the system) is a single employer defined benefit public employee retirement system (PERS) established by Shelby County, Tennessee. The system is administered by a board, the majority of whose members are nominated by the Shelby County Mayor, subject to approval by the Shelby County Board of Commissioners. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 545-3370.

Substantially all full-time and permanent part-time employees of the County are required, as a condition of employment, to participate in the System. The System benefits and contribution provisions are established by the Shelby County Board of Commissioners. Once becoming a participant, a person will continue to participate as

long as he or she is an employee of the County. The System provides retirement, as well as survivor and disability defined benefits.

Prior to 1990 the System consisted of two plans (Plans A and B) which were accounted for as separate funds for financial reporting purposed. In 1990 these plans were legally merged into one reporting entity, whereby total combined assets of the merged plans are available for payment of benefits to participants of either of the two previously existing plans. While the plans were legally merged, the System has retained the membership criteria of the previous plans, which are as follows:

- Plan B, a contributory single employer defined benefit pension plan for employees hired prior to December 1, 1978, and
- Plan A, a non-contributory single employer defined benefit pension plan for employees hired on or after December 1, 1978, and those employees that elected to transfer to Plan A from Plan B before January 1, 1981.

Effective July 1, 2000, Plan A was amended to include a "25-years and out" plan for Public Safety Employees. After completion of 25 years of service in which 20 years, or at least the last 15 years, is in a public safety position, the participant can retire with 55% of Final Average Earnings regardless of age. The employee must contribute the actuarially determined amount to fund this benefit. In November 2004 the County Commission approved a new "Plan C" that will replace the "25 years and out" part of Plan A. Plan C will become effective on July 1, 2005. Plan C was designed to be cost-neutral to the County relative to current plans.

Funding Policy

The System's funding policy for employee contribution requirements is established by the Board of Administration of the Shelby County, Tennessee Retirement System (the Board). The System's funding policy for employer contribution requirements is established by the Shelby County Board of Commissioners. The County does not receive the actuarial report until several months into the fiscal year to which the report relates. Due to budgetary procedures the County makes contributions based on the latest actuarial report received at the date a new fiscal year's budget is being prepared. Contributions for fiscal year 2004 were based on the actuarial report as of July 1, 2002.

In accordance with the actuarial valuation as of July 1, 2002, the employer contribution rate required was 7.2% of covered payroll of participants under Plans A and B. Plan B participants contribute an additional 8.0% of the related payroll expenses, with some exceptions for employees of Plan B with more than 35 years of service. In addition, certain Plan A public safety employees contribute 2.65% of their compensation. This resulted in total contributions of \$20,001,194 (\$17,836,152 employer contributions and \$2,165,042 employee contributions).

The significant actuarial assumptions used to compute these actuarially determined contribution requirements are the same as those used to compute the net pension obligation.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 1999	\$ 12,030,550	100%	\$ ---
June 30, 2000	14,611,646	100%	---
June 30, 2001	17,201,861	100%	---
June 30, 2002	12,313,480	100%	---
June 30, 2003	12,313,480	100%	---
June 30, 2004	17,836,152	100%	---

The annual required contribution for the current year was determined as part of an actuarial valuation at July 1, 2002 using a projected unit credit service pro-rate cost method for both Plan A and Plan B participants. Actuarial assumptions included (a) projected unit credit service pro-rate cost method; (b) ten year smoothed to market asset valuation method; (c) 8.25% rate of investment return; (d) 4.0% projected salary increases, 2.5% attributable to inflation and 1.5% attributable to merit and seniority increases; (e) 2.5% annual cost-of-living adjustments, compounded; and (f) twenty year amortization from July 1, 2001, of excess assets over 100% of actuarial accrued liability using the level dollar method. As of July 1, 2003, the projected salary increase was changed from 6.0% to 4.0%, the annual cost-of-living adjustment was from 3.25% to 2.5%, the years smoothed to market asset valuation was changed from five years to ten years, and the amortization of excess assets was changed from ten years to twenty years and from 103% to 100% of actuarial accrued liability.

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
06/30/97	\$ 565,177,031	\$ 486,636,477	\$ (78,540,554)	116.1%	\$ 169,109,743	(46.4%)
06/30/98	674,159,712	529,838,594	(144,321,118)	127.2%	175,048,913	(82.4%)
06/30/99	715,457,284	577,497,386	(137,959,898)	123.9%	188,271,742	(73.3%)
06/30/00	740,062,567	613,838,116	(126,224,451)	120.6%	200,325,882	(63.9%)
06/30/01	753,767,893	679,275,060	(74,492,833)	111.0%	218,198,745	(34.1%)
06/30/02	797,091,379	720,839,196	(76,252,183)	110.6%	233,148,476	(32.7%)
06/30/03	794,201,990	769,753,615	(24,448,375)	103.2%	237,197,793	(10.3%)
06/30/04	841,335,004	737,329,388	(104,005,616)	114.1%	246,685,081	(42.2%)

Pension plans of the component units:

The primary government does not act in a trustee capacity for the assets of the pension plans of the component units.

*Shelby County Board of Education (the Board of Education)***Plan Description – Teachers**

On behalf of its teachers, the Board of Education contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The plan provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with 5 years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979 are vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increased less than 0.5%. The maximum annual COLA is capped at 3%.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at www.treasury.state.tn.us.

Most teachers are required by state statute to contribute 5.0% of salary to the plan. The Board of Education is required to contribute at an actuarially determined rate. The rate for the fiscal year ending June 30, 2004 was 3.4% of annual covered payroll. The contribution requirements of the Board of Education are established and may be amended by the TCRS Board of Trustees. The Board's contribution to TCRS for the years ending June 30, 2004, 2003, and 2002 were \$5,198,109, \$4,919,894, and \$5,042,792, respectively, equal to the required contribution for each year.

Plan Description – Non Teachers

All non-teachers employed by the Board are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by TCRS. The plan provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the TCA. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Board participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their

plan. Benefit improvements are not applicable to political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

The Board requires employees to contribute 5.0% of earnable compensation. Contribution requirements for the Board are established and may be amended by the TCRS Board of Trustees.

The Board is required to contribute at an actuarially determined rate. The rate for the fiscal year ending June 30, 2004 was 6.59% of annual covered payroll. The contribution requirement of plan members is set by state statute.

For the year ending June 30, 2004 the Board's annual pension cost of \$2,540,622 to TCRS was equal to the Board's required and actual contributions.

The required contribution was determined as part of the July 1, 2003 actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 5.5% annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 4.5% annual increase in the social security wage base, and (d) projected post retirement increases of 3.0% annually. The actuarial value of assets was determined using techniques that smooth the effect of short term volatility in the market value of total investments over a five year period. The Board's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003 was 12 years.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2004	\$ 2,540,622	100%	\$ ---
June 30, 2003	2,428,647	100%	---
June 30, 2002	2,105,763	100%	---
June 30, 2001	1,973,411	100%	---

Schedule of Funding Progress for Shelby County Board of Education:
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
	(a)	(b)	(b)-(a)			
July 1, 2003	\$ 80,542	\$ 91,264	\$ 10,722	88.25%	\$ 40,236	26.65%
July 1, 2001	70,544	79,619	9,075	88.60%	35,058	25.89%
July 1, 1999	59,958	67,158	7,200	89.28%	31,124	23.13%
June 30, 1997	49,267	52,080	2,813	94.60%	26,303	10.69%

Shelby County Health Care Corporation (the Med)

Effective July 1, 1985, the Med established the Regional Medical Center at Memphis Retirement Investment Plan, a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in this plan once they have reached the age of twenty-one and have completed one year of participation service, as defined, and are not participating in any other pension program to which the Med makes contributions. The plan provides for employee contributions of 2% to 6% of their compensation and for equal matching contributions made by the Med. Participants are immediately vested in their contribution plus actual earnings thereon. Participants vest 75% in the employers matching contribution after four years service and 100% after five years. Forfeitures are returned to The Med to reduce future matching contributions. The payroll for employees covered by this plan was approximately \$56,491,451 in 2004. The Med and employees contributed approximately \$2,708,857 and \$2,758,741, respectively, to the Plan for the year ended June 30, 2004.

Financial statements of the Regional Medical Center at Memphis Retirement Investment Plan are available from Shelby County Health Care Corporation, 877 Jefferson Avenue, Memphis, Tennessee 38103.

(Q) Subsequent Events

In July, 2004, the Shelby County Board of Commissioners approved the \$94,900,000 2004 Series Tax Anticipation Note-Commercial Paper Program. While current intentions are that the Tax Anticipation Notes will be paid off on or before June 30, 2005, similar or other financing will be required each year for the foreseeable future.

At June 30, 2004, \$39,500,000 of the \$115,000,000 2004 A EMCP (Extendible Municipal Commercial Paper) notes had been issued. As of November 24, 2004, an additional \$5,000,000 has been issued for capital improvement projects.

In November, 2004, Goldman Sachs Mitsui Marines Derivative Products terminated its forward starting swap with Shelby County Government. The swap had an original notional amount of \$100,000,000.

The County entered into an additional bond swap agreement with RFPC, LLC on October 25, 2004 in connection with the 1999 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: In order to potentially lower its borrowing costs and achieve potential savings on a portion of its outstanding fixed rate debt without an additional bond issue, the County entered into a basis swap in connection with its 1999 Series B General Obligation Public Improvement and School Bonds. The intent of this Basis Swap is to lower the County's net cost of borrowing with respect to the 1999 Series B Bonds being swapped while preserving the County's ability to advance refund the 1999 Series B Bonds on a tax-exempt basis on a later date.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
10/25/04	10/27/04	6/1/19	\$75,000,000	4.16%	4.95% – Adjustment Factor

Under the terms of the swap, the County pays 4.16% to the Counterparty, RFPC, LLC ("RFPC"), a subsidiary of Rice Financial Products Company, and in return receives 4.95% - Adjustment Factor. The adjustment factor is equal to $(BMA / (1 - .65) - 6 \text{ Month LIBOR})$. Essentially, the County will receive a fixed spread of 79 basis points, and this fixed spread will be adjusted every six months based on the actual performance and relationship between BMA and six-month LIBOR.

Overview of Risks:

Credit Risk: As of 6/30/2004, because the swap was not effective, the County does not have credit risk to RFPC. However, in the future, if the fair value of the swap moves in favor of the County, credit risk would be present. The obligations of RFPC and the County under the swap agreement are guaranteed by surety bonds that were issued by AAA rated Ambac Assurance Corporation ("Ambac").

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to RFPC equal to the fair value of the swap at that time. The County or RFPC may terminate the swap contract if either party fails to perform under the swap contract; provided, however, if the surety bonds issued by Ambac in connection with the swap are in full force and effect, and provided, further, that Ambac is rated at least A3 by Moody's and A- by Standard & Poors, such termination would be subject to the consent of Ambac. Also, with respect to both the County and RFPC, if Ambac's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's, an Additional Termination Event occurs. With respect to the County, if the County has no bond issues of rated senior debt or it fails to have at least one bond issue with an unenhanced rating of at least Baa1 by Moody's or BBB+ by Standard & Poor's, then an Additional Termination Event will occur.

Basis Risk: Depending on the relationship between the BMA and 6 month Libor index, the County could be exposed to basis risk. If the BMA / LIBOR ratio is greater than $(1 - \text{Marginal Tax Rate of } 35\%)$ then the fixed spread of 79 basis points that the County receives will be reduced. This basis differential could cause the expectation of lowering the net cost of borrowing to not be achieved.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds.

(R) Sale of Oakville Health Care Center

The Oakville Health Care Center has been reported as a major proprietary fund of the County. The assets and operations of this Center were sold at the close of business on June 30, 2004. The buyer was AmeriCare Corporation, a not-for-profit corporation. The sale included the real property located at 3391 Old Getwell Road in Memphis, related assets used in the operation of the facility, and the patient accounts receivable. Expenses reported for the year ended June 30, 2004 include certain losses related to the sale of the facility and actual and estimated expenses in connection with the termination of employment from the County of approximately 240 employees. Remaining assets and liabilities as of June 30, 2004, were reported in the General Fund inasmuch as there was no on-going proprietary fund activity.

Shelby County, Tennessee

General Fund Budgetary Comparison Schedule For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 222,491,000	\$ 224,662,979	\$ 227,766,264	\$ 3,103,285
Local revenue	29,979,250	30,455,390	30,407,918	(47,472)
State revenue	19,526,786	19,833,716	20,405,062	571,346
Federal revenue	11,800	11,800	17,068	5,268
Patient service revenue	709,110	709,110	700,092	(9,018)
Elected official fines & fees	50,705,751	52,566,863	53,831,496	1,264,633
Other revenue	3,981,971	3,981,971	2,443,844	(1,538,127)
Total revenues	327,405,668	332,221,829	335,571,744	3,349,915
Expenditures:				
General Government	58,856,984	55,570,743	54,749,011	821,732
Hospital	22,566,667	22,566,667	22,566,667	---
Planning & Development	2,949,826	2,916,430	2,706,893	209,537
Public Works	7,401,037	8,627,586	8,489,938	137,648
Health Services	30,958,308	31,812,424	30,028,845	1,783,579
Community Services	3,943,075	4,015,292	3,915,220	100,072
Law Enforcement	126,101,502	127,295,471	125,035,376	2,260,095
Judicial	42,047,031	42,519,378	40,944,456	1,574,922
Other Elected Officials	28,779,460	29,079,001	27,946,090	1,132,911
Total expenditures	323,603,890	324,402,992	316,382,496	8,020,496
Excess (deficiency) of revenues over expenditures	3,801,778	7,818,837	19,189,248	11,370,411
Other Financing Sources (uses):				
Transfers in	13,456,607	12,355,991	10,503,231	(1,852,760)
Transfers out	(17,563,069)	(20,174,828)	(19,410,716)	764,112
Planned use of fund balance	304,684	---	---	---
Total other financing sources (uses)	(3,801,778)	(7,818,837)	(8,907,485)	(1,088,648)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	10,281,763	\$ 10,281,763

Shelby County, Tennessee

Education Fund Budgetary Comparison Schedule For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 319,692,000	\$ 320,352,170	\$ 321,953,079	\$ 1,600,909
Total revenues	319,692,000	320,352,170	321,953,079	1,600,909
Expenditures:				
Education				
Special funded project - City Schools	228,177,000	228,648,031	229,455,652	(807,621)
Special funded project - County Schools	91,515,000	91,704,139	92,497,427	(793,288)
Total expenditures	319,692,000	320,352,170	321,953,079	(1,600,909)
Excess (deficiency) of revenues over expenditures	---	---	---	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

Shelby County, Tennessee

Grants Fund Budgetary Comparison Schedule For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 13,218,873	\$ 13,953,839	\$ 6,657,129	\$ (7,296,710)
State revenue	48,754,192	53,612,799	41,999,648	(11,613,151)
Federal revenue	31,892,768	39,001,262	25,475,414	(13,525,848)
Patient service revenue	1,790,000	1,795,617	1,600,136	(195,481)
Other revenue	534,034	589,772	320,069	(269,703)
Total revenues	96,189,867	108,953,289	76,052,396	(32,900,893)
Expenditures:				
General Government	93,693	170,811	110,019	60,792
Planning & Development	16,524,325	15,783,671	4,296,648	11,487,023
Public Works	1,244,528	3,122,700	2,637,773	484,927
Corrections	622,504	1,099,142	790,715	308,427
Health Services	25,104,396	24,998,745	19,936,479	5,062,266
Community Services	42,444,287	50,167,112	35,935,775	14,231,337
Law Enforcement	324,685	614,665	475,424	139,241
Judicial	8,958,572	10,222,363	8,909,845	1,312,518
Other Elected Officials	760,142	1,250,560	1,133,870	116,690
Total expenditures	96,077,132	107,429,769	74,226,548	33,203,221
Excess (deficiency) of revenues over expenditures	112,735	1,523,520	1,825,848	302,328
Other financing sources (uses):				
Transfers in	3,717,400	4,993,660	3,791,054	(1,202,606)
Planned use of fund balance	994,400	---	---	---
Transfers out	(4,824,535)	(6,517,180)	(5,520,264)	996,916
Total other financing sources (uses)	(112,735)	(1,523,520)	(1,729,210)	(205,690)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 96,638	\$ 96,638

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2004

	Special Revenue Funds		
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund
Assets:			
Cash and cash equivalents	\$ 10,891,466	\$ ---	\$ 49,344
Accounts receivable	1,014	3,375	426,346
Due from other funds	202,286	---	2,222,464
Due from other governmental entities	899,113	---	---
Deposits held by others	---	---	---
Other assets	---	---	---
Total Assets	<u>\$ 11,993,879</u>	<u>\$ 3,375</u>	<u>\$ 2,698,154</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 340,297	\$ 120	\$ 773,905
Due to other governmental entities	---	---	394,404
Due to other funds	---	3,255	1,060,266
Deposits held in trust	---	---	---
Total Liabilities	<u>340,297</u>	<u>3,375</u>	<u>2,228,575</u>
Fund Balances:			
Reserved for encumbrances	960,801	---	---
Unreserved	10,692,781	---	469,579
Total Fund Balances	<u>11,653,582</u>	<u>---</u>	<u>469,579</u>
Total Liabilities and Fund Balances	<u>\$ 11,993,879</u>	<u>\$ 3,375</u>	<u>\$ 2,698,154</u>

Sheriff Narcotics Fund	Register Data Processing Fund	Car Rental Tax Fund	Total
\$ 1,443,985	\$ 1,256,576	\$ 73,253	\$ 13,714,624
143,638	---	---	574,373
---	---	332,372	2,757,122
---	---	---	899,113
58,726	---	---	58,726
211,642	---	---	211,642
<u>\$ 1,857,991</u>	<u>\$ 1,256,576</u>	<u>\$ 405,625</u>	<u>\$ 18,215,600</u>
\$ 54,331	\$ 6,872	\$ 405,625	\$ 1,581,150
---	---	---	394,404
---	---	---	1,063,521
211,642	---	---	211,642
<u>265,973</u>	<u>6,872</u>	<u>405,625</u>	<u>3,250,717</u>
12,965	54,604	---	1,028,370
<u>1,579,053</u>	<u>1,195,100</u>	<u>---</u>	<u>13,936,513</u>
<u>1,592,018</u>	<u>1,249,704</u>	<u>---</u>	<u>14,964,883</u>
<u>\$ 1,857,991</u>	<u>\$ 1,256,576</u>	<u>\$ 405,625</u>	<u>\$ 18,215,600</u>

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2003

	Special Revenue Funds		
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund
Revenues:			
Local taxes	\$ 279,953	\$ ---	\$ 11,117,814
Local revenue	885,787	66,750	---
State revenue	9,699,122	---	3,162,255
Elected officials' fines & fees	---	---	---
Other revenue	111,657	---	10,970
Total revenues	10,976,519	66,750	14,291,039
Expenditures:			
General Government	---	---	9,968,438
Public Works	9,260,316	210,049	---
Law Enforcement	---	---	---
Other Elected Officials	---	---	---
Total expenditures	9,260,316	210,049	9,968,438
Excess (deficiency) of revenues over (under) expenditures	1,716,203	(143,299)	4,322,601
Other financing sources (uses):			
Transfers in	495,452	143,299	---
Transfers out	(1,832,750)	---	(5,060,266)
Total other financing sources (uses)	(1,337,298)	143,299	(5,060,266)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	378,905	---	(737,665)
Fund Balances:			
June 30, 2003	11,274,677	---	1,207,244
June 30, 2004	\$ 11,653,582	\$ ---	\$ 469,579

Sheriff Narcotics Fund	Register Data Processing Fund	Car Rental Tax Fund	Total
\$ ---	\$ ---	\$ 1,494,883	\$ 12,892,650
278,183	---	---	1,230,720
---	---	---	12,861,377
902,559	458,546	---	1,361,105
14,610	14,013	---	151,250
1,195,352	472,559	1,494,883	28,497,102
---	---	1,494,883	11,463,321
---	---	---	9,470,365
1,032,691	---	---	1,032,691
---	412,522	---	412,522
1,032,691	412,522	1,494,883	22,378,899
162,661	60,037	---	6,118,203
---	---	---	638,751
(33,808)	---	---	(6,926,824)
(33,808)	---	---	(6,288,073)
128,853	60,037	---	(169,870)
1,463,165	1,189,667	---	15,134,753
\$ 1,592,018	\$ 1,249,704	\$ ---	\$ 14,964,883

**Roads and Bridges Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 273,000	\$ 273,000	\$ 279,953	\$ 6,953
Local revenue	26,000	66,421	885,787	819,366
State revenue	8,661,769	8,661,769	9,699,122	1,037,353
Other revenue	1,644,957	3,318,904	111,657	(3,207,247)
Total revenues	10,605,726	12,320,094	10,976,519	(1,343,575)
Expenditures:				
Salaries	3,446,784	3,525,205	3,427,649	97,556
Fringe benefits	955,206	955,206	850,965	104,241
Supplies	1,673,686	1,495,121	868,547	626,574
Services	7,700	12,816	11,646	1,170
Professional & contracted services	1,586,000	2,852,164	2,441,354	410,810
Rent, utilities & maintenance	803,550	810,260	799,490	10,770
Asset acquisitions	481,000	1,413,366	860,665	552,701
Total expenditures	8,953,926	11,064,138	9,260,316	1,803,822
Excess (deficiency) of revenues over expenditures	1,651,800	1,255,956	1,716,203	460,247
Other financing sources (uses):				
Transfers in	148,200	604,044	495,452	(108,592)
Transfers out	(1,800,000)	(1,860,000)	(1,832,750)	27,250
Total other financing sources (uses)	(1,651,800)	(1,255,956)	(1,337,298)	(81,342)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 378,905	\$ 378,905

Solid Waste Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 24,000	\$ 50,990	\$ 66,750	\$ 15,760
Total revenues	24,000	50,990	66,750	15,760
Expenditures:				
Salaries	101,380	101,380	100,886	494
Fringe benefits	30,879	30,879	26,198	4,681
Supplies	34,602	7,352	7,348	4
Services	3,500	2,300	1,894	406
Professional & contracted services	43,650	30,365	21,118	9,247
Rent, utilities & maintenance	34,917	28,324	27,880	444
Asset acquisitions	30,721	24,725	24,725	---
Total expenditures	279,649	225,325	210,049	15,276
Excess (deficiency) of revenues over expenditures	(255,649)	(174,335)	(143,299)	31,036
Other financing sources (uses):				
Transfers in	255,649	174,335	143,299	(31,036)
Total other financing sources (uses)	255,649	174,335	143,299	(31,036)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Hotel/Motel Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Local taxes	\$ 10,887,646	\$ 10,887,646	\$ 11,117,814	\$ 230,168
State revenue	4,000,000	4,000,000	3,162,255	(837,745)
Other revenue	584,399	584,399	10,970	(573,429)
Total revenues	15,472,045	15,472,045	14,291,039	(1,181,006)
Expenditures:				
Intergovernmental expenditures	394,404	394,404	394,404	---
Special funded projects	10,411,779	10,411,779	9,574,034	837,745
Contingencies & Restrictions	(788,808)	(788,808)	---	(788,808)
Total expenditures	10,017,375	10,017,375	9,968,438	48,937
Excess (deficiency) of revenues over expenditures	5,454,670	5,454,670	4,322,601	(1,132,069)
Other financing sources (uses):				
Transfers out	(5,454,670)	(5,454,670)	(5,060,266)	394,404
Total other financing sources (uses)	(5,454,670)	(5,454,670)	(5,060,266)	394,404
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ (737,665)	\$ (737,665)

**Sheriff Narcotics Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 650,000	\$ 650,000	\$ 278,183	\$ (371,817)
Elected officials' fines & fees	320,000	320,000	902,559	582,559
Other revenue	629,780	658,801	14,610	(644,191)
Total revenues	1,599,780	1,628,801	1,195,352	(433,449)
Expenditures:				
Supplies	595,505	554,105	446,238	107,867
Services	60,837	63,479	35,888	27,591
Professional & contracted services	92,587	137,587	78,750	58,837
Rent, utilities & maintenance	398,602	264,035	185,980	78,055
Asset acquisitions	430,249	430,249	153,557	276,692
Grants	---	132,278	132,278	---
Total expenditures	1,577,780	1,581,733	1,032,691	549,042
Excess (deficiency) of revenues over expenditures	22,000	47,068	162,661	115,593
Other financing sources (uses):				
Transfers out	(22,000)	(47,068)	(33,808)	13,260
Total other financing sources (uses)	(22,000)	(47,068)	(33,808)	13,260
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 128,853	\$ 128,853

Register Data Processing Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Elected officials' fines & fees	\$ 417,559	\$ 417,559	\$ 458,546	\$ 40,987
Other revenue	1,193,228	1,213,780	14,013	(1,199,767)
Total revenues	1,610,787	1,631,339	472,559	(1,158,780)
Expenditures:				
Supplies	90,937	92,495	75,382	17,113
Services	3,000	21,450	19,134	2,316
Professional & contracted services	1,430,000	1,460,000	273,897	1,186,103
Rent, utilities & maintenance	41,850	57,394	44,109	13,285
Asset acquisitions	45,000	---	---	---
Total expenditures	1,610,787	1,631,339	412,522	1,218,817
Excess (deficiency) of revenues over expenditures	---	---	60,037	60,037
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 60,037	\$ 60,037

**Car Rental Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Local taxes	\$ 2,500,000	\$ 2,500,000	\$ 1,494,883	\$ (1,005,117)
Total revenues	2,500,000	2,500,000	1,494,883	(1,005,117)
Expenditures:				
General Government:				
Special funded projects	2,500,000	2,500,000	1,494,883	1,005,117
Total expenditures	2,500,000	2,500,000	1,494,883	1,005,117
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Shelby County, Tennessee

**Internal Service Funds
Combining Statement of Net Assets
June 30, 2004**

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 1,113,944	\$ 14,289,066	\$ 1,310,167
Accounts receivable	35,995	253,854	---
Due from other governmental entities	166,513	---	---
Inventories	178,029	---	---
Deposits held by others	---	140,887	---
Total Current Assets	<u>1,494,481</u>	<u>14,683,807</u>	<u>1,310,167</u>
Noncurrent Assets:			
Capital assets, net	<u>730,936</u>	<u>---</u>	<u>---</u>
Total Assets	<u>\$ 2,225,417</u>	<u>\$ 14,683,807</u>	<u>\$ 1,310,167</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 706,054	\$ 869,933	\$ ---
Insurance claims payable	---	9,101,000	---
Deferred revenue	---	3,238,436	226,925
Sick and annual leave payable	122,484	---	---
Total Current Liabilities	<u>828,538</u>	<u>13,209,369</u>	<u>226,925</u>
Noncurrent Liabilities:			
Sick and annual leave payable	102,058	---	---
Long term claims payable	---	---	---
Total Noncurrent Liabilities	<u>102,058</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>930,596</u>	<u>13,209,369</u>	<u>226,925</u>
Net Assets:			
Invested in capital assets	730,936	---	---
Restricted for group life insurance	---	---	463,300
Unrestricted	<u>563,885</u>	<u>1,474,438</u>	<u>619,942</u>
Total Net Assets	<u>1,294,821</u>	<u>1,474,438</u>	<u>1,083,242</u>
Total Liabilities and Net Assets	<u>\$ 2,225,417</u>	<u>\$ 14,683,807</u>	<u>\$ 1,310,167</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ 3,389,466	\$ 2,247,543	\$ 22,350,186
20,000	85,825	395,674
---	---	166,513
---	---	178,029
---	---	140,887
<u>3,409,466</u>	<u>2,333,368</u>	<u>23,231,289</u>
---	---	730,936
<u>\$ 3,409,466</u>	<u>\$ 2,333,368</u>	<u>\$ 23,962,225</u>
13,457	\$ 1,549,819	\$ 3,139,263
3,385,172	594,000	13,080,172
---	---	3,465,361
---	---	122,484
<u>3,398,629</u>	<u>2,143,819</u>	<u>19,807,280</u>
---	---	102,058
---	4,084,323	4,084,323
---	4,084,323	4,186,381
<u>3,398,629</u>	<u>6,228,142</u>	<u>23,993,661</u>
---	---	730,936
---	---	463,300
<u>10,837</u>	<u>(3,894,774)</u>	<u>(1,225,672)</u>
<u>10,837</u>	<u>(3,894,774)</u>	<u>(31,436)</u>
<u>\$ 3,409,466</u>	<u>\$ 2,333,368</u>	<u>\$ 23,962,225</u>

Shelby County, Tennessee

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2004

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Operating revenues:			
Premium revenue	\$ ---	\$ 52,829,502	\$ 2,208,531
Charges for services	8,286,665	---	---
Total operating revenues	<u>8,286,665</u>	<u>52,829,502</u>	<u>2,208,531</u>
Operating expenses:			
Administrative expenses	1,728,495	---	---
Cost of services	5,866,579	48,189,958	2,257,878
Depreciation	137,195	---	---
Total operating expenses	<u>7,732,269</u>	<u>48,189,958</u>	<u>2,257,878</u>
Operating income (loss)	554,396	4,639,544	(49,347)
Nonoperating revenues:			
Interest income	---	---	17,310
Income (loss) before transfers	554,396	4,639,544	(32,037)
Transfers in	---	---	---
Transfers out	---	(215,387)	---
Net transfers	<u>---</u>	<u>(215,387)</u>	<u>---</u>
Change in net assets	554,396	4,424,157	(32,037)
Net Assets:			
June 30, 2003	<u>740,425</u>	<u>(2,949,719)</u>	<u>1,115,279</u>
June 30, 2004	<u>\$ 1,294,821</u>	<u>\$ 1,474,438</u>	<u>\$ 1,083,242</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ 88,288	\$ 4,175,794	\$ 59,302,115
---	71,017	8,357,682
88,288	4,246,811	67,659,797
---	---	1,728,495
1,758,419	2,271,935	60,344,769
---	---	137,195
1,758,419	2,271,935	62,210,459
(1,670,131)	1,974,876	5,449,338
---	---	17,310
(1,670,131)	1,974,876	5,466,648
1,500,000	500,000	2,000,000
---	---	(215,387)
1,500,000	500,000	1,784,613
(170,131)	2,474,876	7,251,261
180,968	(6,369,650)	(7,282,697)
\$ 10,837	\$ (3,894,774)	\$ (31,436)

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2004

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Cash flows from operations:			
Receipts from customers	\$ 8,227,625	\$ ---	\$ ---
Premiums received	---	52,717,163	2,255,338
Payments to suppliers	(6,276,113)	(2,269,380)	---
Cash payments to employees	(1,819,538)	---	---
Claims paid	---	(46,997,615)	(2,486,951)
Net cash provided by (used in) operating activities	131,974	3,450,168	(231,613)
Cash flows from noncapital financing activities:			
Transfers from other funds	---	---	---
Transfers to other funds	---	(215,387)	---
Net cash provided by (used in) noncapital financing activities	---	(215,387)	---
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(46,229)	---	---
Net cash used in capital and related financing activities	(46,229)	---	---
Cash flow from investing activities:			
Interest and investment earnings	---	---	17,310
Net cash provided by (used in) investing activities	---	---	17,310
Net increase (decrease) in cash and cash equivalents	85,745	3,234,781	(214,303)
Cash and cash equivalents, June 30, 2003	1,028,199	11,054,285	1,524,470
Cash and cash equivalents, June 30, 2004	\$ 1,113,944	\$ 14,289,066	\$ 1,310,167

Tort Liability Fund	Employer Insurance Fund	Total
\$ ---	\$ ---	\$ 8,227,625
68,288	4,160,986	59,201,775
---	---	(8,545,493)
---	---	(1,819,538)
(477,825)	(5,040,737)	(55,003,128)
(409,537)	(879,751)	2,061,241
1,500,000	500,000	2,000,000
---	---	(215,387)
1,500,000	500,000	1,784,613
---	---	(46,229)
---	---	(46,229)
---	---	17,310
---	---	17,310
1,090,463	(379,751)	3,816,935
2,299,003	2,627,294	18,533,251
\$ 3,389,466	\$ 2,247,543	\$ 22,350,186
		(continued)

Shelby County, Tennessee

Internal Service Funds Combining Statement of Cash Flows (continued) For the Year Ended June 30, 2004

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	\$ 554,396	\$ 4,639,544	\$ (49,347)
Adjustments:			
Depreciation	137,195	---	---
Changes in assets and liabilities:			
Accounts payable and accrued liabilities	(384,992)	600,124	(229,072)
Sick and annual leave	(91,043)	---	---
Deferred revenue	---	58,266	24,790
Due from other governmental entities	(166,513)	---	---
Insurance claims payable	---	(1,905,274)	---
Deposits	---	228,113	---
Accounts receivable and accrued revenues	107,473	(170,605)	22,016
Inventories	(24,542)	---	---
Total adjustments	(422,422)	(1,189,376)	(182,266)
Net cash provided by (used in) operating activities	\$ 131,974	\$ 3,450,168	\$ (231,613)

<u>Tort Liability Fund</u>	<u>Employer Insurance Fund</u>	<u>Total</u>
\$ (1,670,131)	\$ 1,974,876	\$ 5,449,338
---	---	137,195
13,457	(2,663,984)	(2,664,467)
---	---	(91,043)
---	---	83,056
---	---	(166,513)
1,267,137	(104,818)	(742,955)
---	---	228,113
(20,000)	(85,825)	(146,941)
---	---	(24,542)
<u>1,260,594</u>	<u>(2,854,627)</u>	<u>(3,388,097)</u>
<u>\$ (409,537)</u>	<u>\$ (879,751)</u>	<u>\$ 2,061,241</u>

Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2004

	Agricenter International	Emergency Communications District	Total
Assets:			
Current Assets			
Cash and cash equivalents	\$ 91,077	\$ 2,483,332	\$ 2,574,409
Investments	601,361	1,704,020	2,305,381
Receivables	141,646	700,539	842,185
Prepaid expenses	10,650	---	10,650
Capital assets, net	2,034,508	2,193,381	4,227,889
Total Assets	<u>\$ 2,879,242</u>	<u>\$ 7,081,272</u>	<u>\$ 9,960,514</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 139,897	\$ 116,738	\$ 256,635
Deferred revenue	172,726	---	172,726
Due to primary government	332,609	---	332,609
Notes payable	120,000	---	120,000
Long-term liabilities			
Due within one year	442,692	---	442,692
Total Liabilities	<u>1,207,924</u>	<u>116,738</u>	<u>1,324,662</u>
Net Assets:			
Invested in capital assets, net of related debt	1,949,796	2,193,381	4,143,177
Restricted for:			
Unrestricted	(278,478)	4,771,153	4,492,675
Total Net Assets	<u>1,671,318</u>	<u>6,964,534</u>	<u>8,635,852</u>
Total Liabilities and Net Assets	<u>\$ 2,879,242</u>	<u>\$ 7,081,272</u>	<u>\$ 9,960,514</u>

Constitutional Officers
General and Agency Funds
Combined Schedule of Assets and Liabilities
For the Year Ended June 30, 2004

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court	Probate Court Clerk
Assets:						
Cash and cash equivalents	\$ ---	\$ 988,364	\$ 5,402,469	\$ ---	\$ 1,095	\$ 5,121
Investments	7,137	10,236,578	10,620,034	3,343,360	6,735,387	2,201,647
Receivables	---	---	---	61,203	---	---
Total Assets	<u>\$ 7,137</u>	<u>\$ 11,224,942</u>	<u>\$ 16,022,503</u>	<u>\$ 3,404,563</u>	<u>\$ 6,736,482</u>	<u>\$ 2,206,768</u>
Liabilities:						
Due to other governmental entities	\$ ---	\$ ---	\$ 34,492	\$ 61,318	\$ 295,327	\$ 2,067
Funds held for others	7,137	10,727,144	15,752,891	1,937,145	4,995,009	2,157,155
Due to other funds and departments	---	497,798	235,120	1,406,100	1,446,146	39,898
Accounts payable and accrued expenses	---	---	---	---	---	7,648
Total Liabilities	<u>\$ 7,137</u>	<u>\$ 11,224,942</u>	<u>\$ 16,022,503</u>	<u>\$ 3,404,563</u>	<u>\$ 6,736,482</u>	<u>\$ 2,206,768</u>

Juvenile Court Clerk	County Clerk	Register	Trustee	Elimination of General Funds	Total
\$ 6,190,308	\$ 686,564	\$ 129,329	\$ 12,812,619	\$ (732,918)	\$ 25,482,951
268,533	14,319,443	3,173,537	238,529,035	(247,756,036)	41,678,655
---	2,004,365	---	87,410	(1,393,010)	759,968
<u>\$ 6,458,841</u>	<u>\$ 17,010,372</u>	<u>\$ 3,302,866</u>	<u>\$ 251,429,064</u>	<u>\$ (249,881,964)</u>	<u>\$ 67,921,574</u>
\$ ---	\$ 7,834,220	\$ 2,695,032	\$ 10,225,196	\$ ---	\$ 21,147,652
6,361,068	21,176	---	4,807,549	---	46,766,274
97,773	9,154,976	607,834	236,396,319	(249,881,964)	---
---	---	---	---	---	7,648
<u>\$ 6,458,841</u>	<u>\$ 17,010,372</u>	<u>\$ 3,302,866</u>	<u>\$ 251,429,064</u>	<u>\$ (249,881,964)</u>	<u>\$ 67,921,574</u>

**Constitutional Officers
General and Agency Funds
Combined Schedule of Cash Receipts, Disbursement and Balance
For the Year Ended June 30, 2004**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court
Receipts:					
Fund Accounts	\$ 11,750	\$ 8,825,969	\$ 16,253,875	\$ 4,119,534	\$ 22,794,196
State of Tennessee	---	---	---	---	---
Fee & Commission	---	3,074,467	1,818,399	5,227,475	6,522,637
Other	---	54,904	62,755	12,891	70,322
Total receipts	<u>11,750</u>	<u>11,955,340</u>	<u>18,135,029</u>	<u>9,359,900</u>	<u>29,387,155</u>
Disbursements	<u>9,359</u>	<u>10,718,223</u>	<u>15,999,963</u>	<u>9,090,772</u>	<u>28,786,652</u>
Excess of receipts over (under) disbursements	2,391	1,237,117	2,135,066	269,128	600,503
Balance - June 30, 2003	<u>4,746</u>	<u>9,987,825</u>	<u>13,887,437</u>	<u>3,074,232</u>	<u>6,135,979</u>
Balance - June 30, 2004	<u>\$ 7,137</u>	<u>\$ 11,224,942</u>	<u>\$ 16,022,503</u>	<u>\$ 3,343,360</u>	<u>\$ 6,736,482</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 1,592,300	\$ 5,047,935	\$ 124,542,968	\$ 28,657,071	\$ 2,806,099,198	\$ 3,017,944,796
---	10,587	---	---	---	10,587
449,629	1,316,208	7,423,681	7,246,295	17,538,532	50,617,323
---	---	154,267	30,009	169,494	554,642
<u>2,041,929</u>	<u>6,374,730</u>	<u>132,120,916</u>	<u>35,933,375</u>	<u>2,823,807,224</u>	<u>3,069,127,348</u>
 984,408	 6,190,768	 129,840,880	 35,733,938	 2,775,056,705	 3,012,411,668
 1,057,521	 183,962	 2,280,036	 199,437	 48,750,519	 56,715,680
<u>1,149,247</u>	<u>6,274,879</u>	<u>12,725,971</u>	<u>3,103,429</u>	<u>202,591,135</u>	<u>258,934,880</u>
<u>\$ 2,206,768</u>	<u>\$ 6,458,841</u>	<u>\$ 15,006,007</u>	<u>\$ 3,302,866</u>	<u>\$ 251,341,654</u>	<u>\$ 315,650,560</u>

Combined Schedule of Changes in Fee and Commission Accounts
For the Year Ended June 30, 2004

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court
Revenues:					
Fees and commission	\$ ---	\$ 3,074,467	\$ 1,818,399	\$ 5,227,475	\$ 6,522,637
Interest	---	54,904	62,755	12,891	70,322
Other	---	---	---	---	---
Total revenues	---	3,129,371	1,881,154	5,240,366	6,592,959
Expenditures and other uses:					
Other uses:					
Transfers	---	3,129,371	1,881,154	5,240,366	6,592,959
Total expenditures and other uses	---	3,129,371	1,881,154	5,240,366	6,592,959
Excess of revenues and other uses over (under) expenditures and other uses	---	---	---	---	---
Excess fees - June 30, 2003	---	---	---	---	---
Excess fees - June 30, 2004	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 449,629	\$ 1,316,208	\$ 7,423,681	\$ 7,246,295	\$ 17,538,532	\$ 50,617,323
---	---	154,267	30,009	83,973	469,121
---	---	---	---	85,521	85,521
449,629	1,316,208	7,577,948	7,276,304	17,708,026	51,171,965
449,629	1,316,208	7,577,948	7,276,304	17,708,026	51,171,965
449,629	1,316,208	7,577,948	7,276,304	17,708,026	51,171,965
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

(continued)

Shelby County, Tennessee

**Schedule of General Obligation Bonds-Except for School Purposes
June 30, 2004**

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	1/28/99	2/1/99	2/15/99	5/1/99	12/1/99	10/1/00
Interest Rate %	\$ 62,294,624 (Variable)	\$ 34,913,216 3.55-5.25	\$ 36,010,135 4.00-5.00	\$ 32,436,299 4.75-5.00	\$ 10,006,639 (Variable)	\$ 6,037,543 4.75-5.63
Fiscal Year						
2005	\$ 80,986	\$ 1,085,921	\$ 969,504	\$ 931,834	\$ 1,265,900	\$ 86,538
2006	80,986	1,186,469	1,108,004	965,719	1,326,181	127,795
2007	97,184	1,183,596	1,135,704	1,016,546	1,386,462	137,857
2008	10,512,015	2,145,986	1,163,404	1,016,546	1,507,024	137,857
2009	404,931	3,223,289	1,218,804	1,016,546	---	148,926
2010	437,326	8,003,639	1,274,205	1,016,546	---	148,926
2011	6,252,139	5,271,600	1,329,605	1,016,546	---	169,051
2012	8,633,134	3,786,359	1,385,005	1,016,546	---	169,051
2013	6,025,377	1,924,780	1,385,005	1,185,971	---	181,126
2014	9,475,391	---	1,495,806	1,355,395	---	412,566
2015	8,260,598	---	1,551,206	1,423,165	---	513,191
2016	2,656,349	---	1,662,006	1,473,992	---	513,191
2017	2,753,533	---	1,800,507	1,524,819	---	494,072
2018	2,915,505	---	1,800,507	1,626,474	---	495,079
2019	3,028,886	---	1,939,007	1,694,244	---	454,828
2020	340,142	---	2,077,508	1,778,956	---	356,215
2021	---	---	2,077,508	1,863,668	---	285,777
2022	---	---	2,216,008	2,041,564	---	281,752
2023	---	---	2,326,809	2,151,690	---	241,502
2024	---	---	2,493,009	2,244,873	---	241,502
2025	---	---	---	---	---	221,377
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
Total	\$ 61,954,481	\$ 27,811,639	\$ 32,409,121	\$ 28,361,640	\$ 5,485,567	\$ 5,818,179

General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
10/1/00	12/1/00	11/01/01	12/01/01	06/10/03	03/31/04
\$ 4,879,089	\$ 16,284,078	\$ 14,693,304	\$ 100,033,534	\$ 57,220,000	16,880,864
5.00	(Variable)	4.25-4.75	4.50 - 5.00	4.00 - 5.00	3.00-5.00
\$ 405,292	\$ 1,568,650	\$ 5,915,864	\$ 3,154,782	\$ 1,185,000	\$ ---
436,468	1,718,045	1,734,399	3,265,754	905,000	1,244,672
1,215,875	821,674	---	3,392,579	1,035,000	1,366,664
802,789	821,674	---	3,535,258	1,180,000	1,502,800
841,760	896,371	---	3,677,937	1,340,000	1,654,848
---	896,371	---	3,804,762	1,270,000	1,821,040
---	7,320,365	---	3,963,294	865,000	2,003,144
---	---	---	4,121,826	2,310,000	2,201,160
---	---	---	4,280,357	2,545,000	2,422,160
---	---	---	4,454,742	2,800,000	2,664,376
---	---	---	4,660,833	3,080,000	---
---	---	---	4,882,778	3,385,000	---
---	---	---	5,073,016	3,725,000	---
---	---	---	5,342,520	4,095,000	---
---	---	---	5,596,171	4,505,000	---
---	---	---	5,865,675	4,955,000	---
---	---	---	6,151,032	5,450,000	---
---	---	---	6,436,389	5,995,000	---
---	---	---	6,753,453	6,595,000	---
---	---	---	7,070,516	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
\$ 3,702,184	\$ 14,043,150	\$ 7,650,263	\$ 95,483,673	\$ 57,220,000	\$ 16,880,864

(continued)

Shelby County, Tennessee

Schedule of General Obligation Bonds-Except for School Purposes June 30, 2004

	General Obligation	Combined Total
Date of Issuance	04/15/04	
Interest Rate %	54,318,264 (Variable)	
Fiscal Year		
2005	\$ ---	\$ 34,003,037
2006	---	34,163,461
2007	---	31,543,896
2008	---	39,302,114
2009	---	34,741,641
2010	---	38,831,854
2011	---	43,960,405
2012	---	37,549,451
2013	---	36,660,424
2014	---	42,940,360
2015	2,931,344	39,284,860
2016	3,224,832	28,669,311
2017	3,546,608	28,383,870
2018	3,900,208	30,289,760
2019	4,292,704	32,157,377
2020	4,720,560	29,869,864
2021	5,192,616	28,757,227
2022	5,712,408	25,658,747
2023	6,283,472	24,351,926
2024	6,911,112	18,961,012
2025	7,602,400	7,823,777
2026	---	-
2027	---	-
2028	---	-
2029	---	-
2030	---	-
Total	\$ <u>54,318,264</u>	\$ <u>667,904,373</u>

Shelby County, Tennessee

Schedule of General Obligation Bonds-School Purposes June 30, 2004

	General Obligation		General Obligation		General Obligation		General Obligation	General Obligation	General Obligation
Date of Issuance	04/01/92 04/30/92	(s) (c)	09/15/92 10/29/92	(s) (c)	10/01/92 10/29/92	(s) (c)	05/15/93	05/01/95	06/15/96
Interest Rate %	\$ 33,689,029 3.15-6.50		\$ 25,399,370 5.00-5.60		\$ 6,105,468 5.00-5.60		\$ 33,976,436 3.40-5.50	\$ 56,788,873 5.25-6.75	\$ 60,000,000 5.63-5.88
Fiscal Year									
2005	\$ ---		\$ 517,260		\$ 128,096		\$ 2,960,612	\$ 2,276,421	\$ 1,825,000
2006	---		468,558		116,289		3,132,689	2,424,127	1,925,000
2007	774,343		1,497,157		370,492		1,277,343	2,547,940	2,000,000
2008	721,159		---		---		1,356,763	2,673,925	---
2009	676,475		---		---		1,440,596	2,096,132	---
2010	---		---		---		1,528,840	1,225,097	---
2011	---		---		---		---	3,888,161	---
2012	---		---		---		---	4,092,344	---
2013	---		---		---		---	3,899,022	---
2014	---		---		---		---	9,040,518	---
2015	---		---		---		---	6,279,706	---
2016	---		---		---		---	---	---
2017	---		---		---		---	---	---
2018	---		---		---		---	---	---
2019	---		---		---		---	---	---
2020	---		---		---		---	---	---
2021	---		---		---		---	---	---
2022	---		---		---		---	---	---
2023	---		---		---		---	---	---
2024	---		---		---		---	---	---
2025	---		---		---		---	---	---
2026	---		---		---		---	---	---
2027	---		---		---		---	---	---
2028	---		---		---		---	---	---
2029	---		---		---		---	---	---
2030	---		---		---		---	---	---
Total	\$ <u>2,171,977</u>		\$ <u>2,482,975</u>		\$ <u>614,877</u>		\$ <u>11,696,843</u>	\$ <u>40,443,393</u>	\$ <u>5,750,000</u>

(s) Serial Bonds

(c) Capital Appreciation Bonds

(continued)

Shelby County, Tennessee

**Schedule of General Obligation Bonds-School Purposes
June 30, 2004**

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	05/01/99	12/01/99	10/01/00	10/01/00	12/01/00	11/01/01
Interest Rate %	\$ 63,288,701 4.75-5.00	\$ 6,593,361 Variable	\$ 143,962,457 4.75-5.63	\$ 10,770,911 5.00	\$ 5,515,922 Variable	\$ 5,511,696 4.25-4.75
Fiscal Year						
2005	\$ 1,818,166	\$ 834,100	\$ 2,063,462	\$ 894,708	\$ 531,350	\$ 2,219,136
2006	1,884,281	873,819	3,047,205	963,532	581,955	650,601
2007	1,983,454	913,538	3,287,143	2,684,125	278,326	---
2008	1,983,454	992,976	3,287,143	1,772,211	278,326	---
2009	1,983,454	---	3,551,074	1,858,240	303,629	---
2010	1,983,454	---	3,551,074	---	303,629	---
2011	1,983,454	---	4,030,949	---	2,479,635	---
2012	1,983,454	---	4,030,949	---	---	---
2013	2,314,029	---	4,318,874	---	---	---
2014	2,644,605	---	9,837,434	---	---	---
2015	2,776,835	---	12,236,809	---	---	---
2016	2,876,008	---	12,236,809	---	---	---
2017	2,975,181	---	11,780,928	---	---	---
2018	3,173,526	---	11,804,921	---	---	---
2019	3,305,756	---	10,845,172	---	---	---
2020	3,471,044	---	8,493,785	---	---	---
2021	3,636,332	---	6,814,223	---	---	---
2022	3,983,436	---	6,718,248	---	---	---
2023	4,198,310	---	5,758,498	---	---	---
2024	4,380,127	---	5,758,498	---	---	---
2025	---	---	5,278,623	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
Total	\$ 55,338,360	\$ 3,614,433	\$ 138,731,821	\$ 8,172,816	\$ 4,756,850	\$ 2,869,737

(continued)

General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	Combined Total
12/01/01	06/10/03	11/12/03	03/31/04	04/15/04	
\$ 57,716,466	\$ 89,355,000	\$ 32,110,000	\$ 30,859,136	\$ 183,386,736	
4.50 - 5.00	4.00 - 5.00	2.50 - 5.00	3.00 - 5.00	Variable	
\$ 1,820,218	\$ 1,045,000	\$ 835,000	\$ ---	\$ ---	\$ 23,556,970
1,884,246	545,000	845,000	2,275,328	---	29,942,292
1,957,421	660,000	860,000	2,498,336	---	29,729,286
2,039,742	790,000	875,000	2,747,200	---	32,273,536
2,122,063	925,000	895,000	3,025,152	---	40,786,509
2,195,238	720,000	920,000	3,328,960	---	43,658,146
2,286,706	2,260,000	950,000	3,661,856	---	44,119,595
2,378,175	2,035,000	980,000	4,023,840	---	39,977,356
2,469,643	2,235,000	1,020,000	4,427,840	---	38,544,225
2,570,258	2,460,000	1,060,000	4,870,624	---	46,422,296
2,689,167	2,705,000	1,105,000	---	5,358,656	46,492,935
2,817,222	2,975,000	1,150,000	---	5,895,168	41,683,766
2,926,984	3,275,000	1,200,000	---	6,483,392	39,596,628
3,082,480	3,600,000	1,250,000	---	7,129,792	43,315,240
3,228,829	3,960,000	1,310,000	---	7,847,296	44,507,623
3,384,325	4,355,000	1,365,000	---	8,629,440	39,755,136
3,548,968	4,795,000	1,430,000	---	9,492,384	36,652,773
3,713,611	5,270,000	1,495,000	---	10,442,592	35,431,253
3,896,547	5,800,000	1,570,000	---	11,486,528	34,583,074
4,079,484	6,380,000	1,645,000	---	12,633,888	36,883,988
---	7,015,000	1,725,000	---	13,897,600	27,916,223
---	7,720,000	1,810,000	---	13,775,000	23,305,000
---	8,490,000	1,905,000	---	15,150,000	25,545,000
---	9,340,000	2,000,000	---	16,665,000	28,005,000
---	---	1,910,000	---	18,335,000	20,245,000
---	---	---	---	20,165,000	20,165,000
\$ 55,091,327	\$ 89,355,000	\$ 32,110,000	\$ 30,859,136	\$ 183,386,736	\$ 913,093,850
General Long Term Debt for Except for School Purposes					\$ 667,904,373
Total General Long Term Debt					\$ 1,580,998,223

Shelby County, Tennessee

Schedule of Defeased Bonds June 30, 2004

Defeased Bonds: **

1992 Series A	School	Capital appreciation bonds	05/01/08-13	\$	14,393,232
1992 Series A	Public Improvement	Capital appreciation bonds	05/01/08-13	\$	33,687,310
1995 Series A	Refunding	Current interest bonds	04/01/09-15	\$	23,390,000
1996 Series A	Public Improvement	Current interest bonds	06/01/08-21	\$	33,525,000
1996 Series A	School	Current interest bonds	06/01/08-21	\$	44,700,000
1996 Series B	Public Improvement	Current interest bonds	11/01/09-16, 21	\$	54,500,000

** All issues shown at original issue par value amounts. See Note (III)(H) for an explanation of refundings and defeasance.

Shelby County, Tennessee

**Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 97,877,000	\$ 100,127,000	\$ 102,572,719	\$ 2,445,719
Local revenue	2,439,619	2,439,619	2,741,590	301,971
State revenue	1,334,940	1,334,940	1,334,939	(1)
Elected officials' fines and fees	900,000	900,000	1,109,900	209,900
Other revenue	2,145	2,145	64,474	62,329
Total revenues	102,553,704	104,803,704	107,823,622	3,019,918
Expenditures:				
Debt service & related cost	120,435,747	122,706,256	116,577,551	6,128,705
Total expenditures	120,435,747	122,706,256	116,577,551	6,128,705
Excess (deficiency) of revenues over expenditures	(17,882,043)	(17,902,552)	(8,753,929)	9,148,623
Other Financing Sources (uses):				
Transfers in	9,968,560	8,555,504	7,823,897	(731,607)
Proceeds of refunding bonds	(1,750,000)	(316,435)	(314,915)	1,520
Planned use of fund balance	9,663,483	9,663,483	---	(9,663,483)
Total other financing sources (uses)	17,882,043	17,902,552	7,508,982	(10,393,570)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	(1,244,947)	\$ (1,244,947)

General Fund
Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 222,491,000	\$ 224,662,979	\$ 227,766,264	\$ 3,103,285
Local revenue	29,979,250	30,455,390	30,407,918	(47,472)
State revenue	19,526,786	19,833,716	20,405,062	571,346
Federal revenue	11,800	11,800	17,068	5,268
Patient service revenue	709,110	709,110	700,092	(9,018)
Elected official fines & fees	50,705,751	52,566,863	53,831,496	1,264,633
Other revenue	3,981,971	3,981,971	2,443,844	(1,538,127)
Total revenues	327,405,668	332,221,829	335,571,744	3,349,915
Expenditures:				
Salaries	158,806,013	163,908,581	162,768,116	1,140,465
Other compensation	9,560,130	10,529,977	10,291,712	238,265
Fringe benefits	44,031,348	42,184,512	43,571,778	(1,387,266)
Supplies	13,013,926	13,392,270	11,044,713	2,347,557
Services	6,281,704	5,914,625	4,508,350	1,406,275
Professional & contracted services	38,535,620	38,110,810	36,498,304	1,612,506
Rent, utilities & maintenance	17,949,309	17,843,716	16,308,260	1,535,456
Interdepartmental allocations	(1,729,513)	(1,729,513)	(1,666,759)	(62,754)
Intergovernmental expenditures	200,000	204,000	203,107	893
Asset acquisitions	3,533,105	2,404,853	1,920,157	484,696
Debt service & related cost	3,172,738	2,208,110	1,734,534	473,576
Special funded projects	33,574,968	28,753,975	28,753,974	1
Grants	376,250	446,250	446,250	---
Contingencies & restrictions	(3,701,708)	230,826	---	230,826
Total expenditures	323,603,890	324,402,992	316,382,496	8,020,496
Excess (deficiency) of revenues over expenditures	3,801,778	7,818,837	19,189,248	11,370,411
Other Financing Sources (uses):				
Transfers in	13,456,607	12,355,991	10,503,231	(1,852,760)
Transfers out	(17,563,069)	(20,174,828)	(19,410,716)	764,112
Planned change in fund balance	304,684	---	---	---
Total other financing sources (uses)	(3,801,778)	(7,818,837)	(8,907,485)	(1,088,648)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 10,281,763	\$ 10,281,763

Shelby County, Tennessee

General Fund Budgetary Comparison Schedule-Summary By Department For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Public Affairs	\$ 90,000	\$ ---	\$ (90,000)
Public Defender	2,960,050	2,954,674	(5,376)
Divorce Referee	406,000	322,934	(83,066)
County Attorney	150,000	95,124	(54,876)
Central Operations	239,433,520	241,489,486	2,055,966
Personnel	548,661	532,833	(15,828)
Risk Management	---	2,315	2,315
Purchasing	889	1,036	147
Information Technology	604,448	864,064	259,616
Assessed Equalization Office	---	250,428	250,428
Elections	2,033,130	1,759,437	(273,693)
Support Services	1,102,917	1,290,140	187,223
Archives	75,000	58,828	(16,172)
	<u>247,404,615</u>	<u>249,621,299</u>	<u>2,216,684</u>
Planning & Development			
Director - Planning & Development	93,733	79,388	(14,345)
Local Planning	1,107,157	1,031,563	(75,594)
Local Economic & Resource Development	27,091	21,573	(5,518)
Department of Housing	---	7,909	7,909
Department of Regional Services	26,202	19,211	(6,991)
	<u>1,254,183</u>	<u>1,159,644</u>	<u>(94,539)</u>
Public Works			
Director & Staff - Public Works	735,867	872,541	136,674
County Engineer	258,000	298,140	40,140
Emergency Services	400,000	388,111	(11,889)
Shelby Farms	233,000	202,565	(30,435)
Conservation Board	574,638	448,564	(126,074)
Port Commission	500,000	746,780	246,780
Security & Investigation	---	100	100
	<u>2,701,505</u>	<u>2,956,801</u>	<u>255,296</u>
Health Services			
Forensic Services	730,259	777,104	46,845
Administration & Finance - Health Services	11,462,183	11,493,355	31,172
Environmental Health Services	2,651,791	2,835,513	183,722
Personal Health Services	2,483,487	1,834,452	(649,035)
Assessment & Assurance	679,260	774,234	94,974
	<u>18,006,980</u>	<u>17,714,658</u>	<u>(292,322)</u>
Community Services			
Special Funded Projects	---	48,870	48,870
Crime Victims Center	---	2,710	2,710
Pretrial Services	600,000	371,625	(228,375)
	<u>600,000</u>	<u>423,205</u>	<u>(176,795)</u>
Law Enforcement			
Sheriff - Administration	3,791,350	4,380,502	589,152
	<u>3,791,350</u>	<u>4,380,502</u>	<u>589,152</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Criminal Court Judges	\$ 123,000	\$ 314,558	\$ 191,558
Chancery Court Clerk	3,100,000	3,129,371	29,371
Circuit Court Clerk	1,763,580	1,881,154	117,574
Criminal Court Clerk	4,504,084	5,240,367	736,283
General Sessions Court Clerk	7,003,448	6,587,106	(416,342)
Probate Court Clerk	520,000	449,629	(70,371)
Juvenile Court Clerk	1,600,000	1,312,788	(287,212)
Juvenile Court	7,548,248	7,286,669	(261,579)
	<u>26,162,360</u>	<u>26,201,642</u>	<u>39,282</u>
Other Elected Officials			
Legislative Operations	5,500	7,258	1,758
Assessor	343,645	338,378	(5,267)
Attorney General	100,939	68,552	(32,387)
County Clerk	7,465,873	7,715,475	249,602
Register	6,866,655	7,276,304	409,649
Trustee	17,518,224	17,708,026	189,802
	<u>32,300,836</u>	<u>33,113,993</u>	<u>813,157</u>
Total revenues	<u>332,221,829</u>	<u>335,571,744</u>	<u>3,349,915</u>
Expenditures:			
General Government			
Mayor's Office	529,447	514,027	15,420
Public Affairs	521,014	503,435	17,579
Chief Administrative Officer	836,267	784,436	51,831
Office on Health Policy	230,676	227,197	3,479
Public Defender	6,302,878	6,215,071	87,807
Divorce Referee	371,914	371,846	68
County Attorney	2,701,766	2,618,568	83,198
Director - Administration & Finance	253,127	249,073	4,054
Central Operations	26,510,589	27,942,863	(1,432,274)
County Grants	7,026,812	7,009,156	17,656
Personnel	2,541,693	2,499,158	42,535
Risk Management	580,241	576,625	3,616
Purchasing	787,814	781,403	6,411
Information Technology	9,457,678	8,760,668	697,010
Finance	1,719,601	1,708,084	11,517
Assessed Equalization Office	586,554	375,641	210,913
Elections	3,637,786	2,891,924	745,862
Jury Selection Office	762,866	746,088	16,778
Support Services	12,323,353	12,128,465	194,888
Archives	455,334	411,950	43,384
	<u>78,137,410</u>	<u>77,315,678</u>	<u>821,732</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Planning & Development			
Director - Planning & Development	\$ 332,917	\$ 308,867	\$ 24,050
Local Planning	1,744,239	1,605,212	139,027
Local Economic & Resource Development	124,201	104,894	19,307
Department of Housing	627,415	618,213	9,202
Department of Regional Services	87,658	69,707	17,951
	<u>2,916,430</u>	<u>2,706,893</u>	<u>209,537</u>
Public Works			
Director & Staff - Public Works	1,041,138	1,000,144	40,994
County Engineer	2,335,723	2,316,710	19,013
Emergency Services	1,270,111	1,268,135	1,976
Environmental Improvement Commission	3,200	---	3,200
Soil Conservation	88,643	87,449	1,194
Weights & Measures	73,410	68,511	4,899
Shelby Farms	616,330	601,073	15,257
Agriculture Extension Service	325,313	325,237	76
Conservation Board	1,071,434	1,020,495	50,939
Port Commission	397,134	397,134	---
Security & Investigation	1,405,150	1,405,050	100
	<u>8,627,586</u>	<u>8,489,938</u>	<u>137,648</u>
Health Services			
Director - Health Services	165,150	165,091	59
Forensic Services	1,920,756	1,900,588	20,168
Administration & Finance - Health Services	10,208,129	10,106,501	101,628
Environmental Health Services	6,109,362	5,519,998	589,364
Personal Health Services	11,906,178	10,993,978	912,200
Assessment & Assurance	1,502,849	1,342,689	160,160
	<u>31,812,424</u>	<u>30,028,845</u>	<u>1,783,579</u>
Community Services			
Director - Community Services	199,237	174,164	25,073
Special Funded Projects	683,949	635,140	48,809
Crime Victims Center	313,302	305,310	7,992
Office On Aging	64,858	61,293	3,565
Pretrial Services	2,644,500	2,635,323	9,177
Veteran Services	109,446	103,990	5,456
	<u>4,015,292</u>	<u>3,915,220</u>	<u>100,072</u>
Law Enforcement			
Sheriff - Administration	127,295,471	125,035,376	2,260,095
	<u>127,295,471</u>	<u>125,035,376</u>	<u>2,260,095</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Judicial			
Chancery Court Judges	\$ 44,360	\$ 35,176	\$ 9,184
Circuit Court Judges	114,373	111,430	2,943
Criminal Court Judges	67,547	64,201	3,346
General Sessions Civil Court Judges	948,927	925,703	23,224
General Sessions Criminal Court Judges	2,322,432	2,295,436	26,996
Probate Court Judges	372,503	372,493	10
Chancery Court Clerk	1,150,381	1,146,603	3,778
Circuit Court Clerk	2,454,112	2,374,068	80,044
Criminal Court Clerk	4,330,609	4,311,196	19,413
General Sessions Court Clerk	7,050,047	6,343,545	706,502
Probate Court Clerk	516,801	509,354	7,447
Juvenile Court Clerk	3,801,507	3,483,675	317,832
Juvenile Court	19,345,779	18,971,576	374,203
	<u>42,519,378</u>	<u>40,944,456</u>	<u>1,574,922</u>
Other Elected Officials			
Commissioner's Contingency	180,826	---	180,826
Legislative Operations	1,687,379	1,499,386	187,993
Equal Opportunity Compliance	737,079	712,591	24,488
Assessor	9,742,592	9,233,814	508,778
Attorney General	5,679,673	5,616,485	63,188
County Clerk	4,115,730	4,005,362	110,368
Register	1,431,876	1,380,901	50,975
Trustee	5,503,846	5,497,551	6,295
	<u>29,079,001</u>	<u>27,946,090</u>	<u>1,132,911</u>
Total expenditures	<u>324,402,992</u>	<u>316,382,496</u>	<u>8,020,496</u>
Excess (deficiency) of revenues over expenditures	<u>7,818,837</u>	<u>19,189,248</u>	<u>11,370,411</u>
Other Financing Sources (Uses):			
Transfers in			
Central Operations	3,068,000	3,068,000	---
Risk Management	282,460	---	(282,460)
Support Services	255,000	79,210	(175,790)
Director - Planning & Development	150,000	150,000	---
Local Economic & Resource Development	68,618	61,627	(6,991)
Department of Housing	179,976	178,802	(1,174)
Department of Regional Services	279,029	185,291	(93,738)
Director & Staff - Public Works	635,170	42,199	(592,971)
County Engineer	1,450,000	1,450,000	---
Shelby Farms	30,000	30,000	---
Administration & Finance - Health Services	3,080,044	2,892,236	(187,808)
Personal Health Services	1,259,679	749,469	(510,210)
Special Funded Projects	316,515	314,915	(1,600)
Juvenile Court	1,301,500	1,301,482	(18)
Total transfers in	<u>12,355,991</u>	<u>10,503,231</u>	<u>(1,852,760)</u>

(continued)

General Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Transfers out			
Office on Health Policy	\$ (11,032)	\$ (11,032)	\$ ---
Public Defender	(39,400)	(39,400)	---
Central Operations	(15,418,499)	(15,418,257)	242
Support Services	(101,944)	(86,994)	14,950
Department of Housing	(190,215)	(109,098)	81,117
Department of Regional Services	(243,726)	(153,098)	90,628
Director & Staff - Public Works	(184,335)	(147,024)	37,311
Enviromental Improvement Commission	(64,912)	(64,860)	52
Shelby Farms	(20,000)	(18,372)	1,628
Port Commission	(354,108)	(354,108)	---
Administration & Finance - Health Services	(988,906)	(962,560)	26,346
Environmental Health Services	(1,396,730)	(1,285,276)	111,454
Personal Health Services	(421,544)	(421,544)	---
Special Funded Projects	(187,964)	(15,320)	172,644
Crime Victims Center	(64,797)	(60,343)	4,454
Pretrial Services	(34,006)	(26,423)	7,583
Sheriff - Administration	(14,738)	(12,519)	2,219
General Sessions Criminal Court Judges	(39,595)	(22,332)	17,263
Juvenile Court	(338,277)	(142,059)	196,218
Attorney General	(60,100)	(60,097)	3
Total transfers out	<u>(20,174,828)</u>	<u>(19,410,716)</u>	<u>764,112</u>
Total other financing sources (uses)	<u>(7,818,837)</u>	<u>(8,907,485)</u>	<u>(1,088,648)</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	<u>\$ ---</u>	<u>\$ 10,281,763</u>	<u>\$ 10,281,763</u>

**General Fund
Mayor's Office
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 387,528	\$ 386,678	\$ 386,674	\$ 4
Other compensation	---	2,450	2,435	15
Fringe benefits	84,616	79,566	79,543	23
Supplies	33,815	30,453	17,201	13,252
Services	26,300	28,300	28,174	126
Professional & contracted services	---	2,000	---	2,000
Total expenditures	<u>532,259</u>	<u>529,447</u>	<u>514,027</u>	<u>15,420</u>
Excess (deficiency) of revenues over expenditures	<u>(532,259)</u>	<u>(529,447)</u>	<u>(514,027)</u>	<u>15,420</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (532,259)</u>	<u>\$ (529,447)</u>	<u>\$ (514,027)</u>	<u>\$ 15,420</u>

**General Fund
Public Affairs
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 90,000	\$ 90,000	\$ ---	\$ (90,000)
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>---</u>	<u>(90,000)</u>
Expenditures:				
Salaries	377,250	392,600	392,560	40
Other compensation	---	3,950	3,937	13
Fringe benefits	101,765	94,045	94,041	4
Supplies	21,444	21,919	9,506	12,413
Services	8,500	8,500	3,391	5,109
Total expenditures	<u>508,959</u>	<u>521,014</u>	<u>503,435</u>	<u>17,579</u>
Excess (deficiency) of revenues over expenditures	<u>(418,959)</u>	<u>(431,014)</u>	<u>(503,435)</u>	<u>(72,421)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (418,959)</u>	<u>\$ (431,014)</u>	<u>\$ (503,435)</u>	<u>\$ (72,421)</u>

Shelby County, Tennessee

**General Fund
Chief Administrative Officer
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 715,006	\$ 592,906	\$ 592,823	\$ 83
Other compensation	---	5,250	5,204	46
Fringe benefits	168,441	124,841	124,741	100
Supplies	35,515	64,960	48,901	16,059
Services	30,280	30,480	12,737	17,743
Professional & contracted services	25,000	17,800	---	17,800
Rent, utilities & maintenance	300	30	30	---
Asset acquisitions	22,175	---	---	---
Total expenditures	<u>996,717</u>	<u>836,267</u>	<u>784,436</u>	<u>51,831</u>
Excess (deficiency) of revenues over expenditures	<u>(996,717)</u>	<u>(836,267)</u>	<u>(784,436)</u>	<u>51,831</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (996,717)</u>	<u>\$ (836,267)</u>	<u>\$ (784,436)</u>	<u>\$ 51,831</u>

**General Fund
Office on Health Policy
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 124,392	\$ 181,969	\$ 181,964	\$ 5
Other compensation	---	1,281	1,281	---
Fringe benefits	27,552	38,993	38,992	1
Supplies	1,571	2,021	1,231	790
Services	6,127	6,127	3,729	2,398
Rent, utilities & maintenance	285	285	---	285
Total expenditures	<u>159,927</u>	<u>230,676</u>	<u>227,197</u>	<u>3,479</u>
Excess (deficiency) of revenues over expenditures	<u>(159,927)</u>	<u>(230,676)</u>	<u>(227,197)</u>	<u>3,479</u>
Other financing sources (uses):				
Transfers out	---	(11,032)	(11,032)	---
Total other financing sources (uses)	<u>---</u>	<u>(11,032)</u>	<u>(11,032)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (159,927)</u>	<u>\$ (241,708)</u>	<u>\$ (238,229)</u>	<u>\$ 3,479</u>

Shelby County, Tennessee

**General Fund
Public Defender
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,691,000	\$ 2,691,000	\$ 2,728,500	\$ 37,500
Elected official's fines & fees	269,050	269,050	226,174	(42,876)
Total revenues	<u>2,960,050</u>	<u>2,960,050</u>	<u>2,954,674</u>	<u>(5,376)</u>
Expenditures:				
Salaries	4,809,606	4,970,749	4,970,699	50
Other compensation	---	43,534	43,534	---
Fringe benefits	1,175,473	1,100,230	1,100,198	32
Supplies	69,500	81,500	57,488	24,012
Services	30,100	26,100	12,678	13,422
Professional & contracted services	31,000	31,000	16,484	14,516
Rent, utilities & maintenance	19,500	25,951	13,990	11,961
Asset acquisitions	35,814	23,814	---	23,814
Total expenditures	<u>6,170,993</u>	<u>6,302,878</u>	<u>6,215,071</u>	<u>87,807</u>
Excess (deficiency) of revenues over expenditures	<u>(3,210,943)</u>	<u>(3,342,828)</u>	<u>(3,260,397)</u>	<u>82,431</u>
Other financing sources (uses):				
Transfers out	---	(39,400)	(39,400)	---
Total other financing sources (uses)	<u>---</u>	<u>(39,400)</u>	<u>(39,400)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (3,210,943)</u>	<u>\$ (3,382,228)</u>	<u>\$ (3,299,797)</u>	<u>\$ 82,431</u>

Shelby County, Tennessee

**General Fund
Divorce Referee
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 406,000	\$ 406,000	\$ 322,934	\$ (83,066)
Total revenues	<u>406,000</u>	<u>406,000</u>	<u>322,934</u>	<u>(83,066)</u>
Expenditures:				
Salaries	262,413	282,893	282,884	9
Other compensation	---	2,509	2,509	---
Fringe benefits	87,022	84,812	84,806	6
Supplies	1,700	1,700	1,647	53
Total expenditures	<u>351,135</u>	<u>371,914</u>	<u>371,846</u>	<u>68</u>
Excess (deficiency) of revenues over expenditures	<u>54,865</u>	<u>34,086</u>	<u>(48,912)</u>	<u>(82,998)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 54,865</u>	<u>\$ 34,086</u>	<u>\$ (48,912)</u>	<u>\$ (82,998)</u>

**General Fund
County Attorney
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 150,000	\$ 150,000	\$ 95,124	\$ (54,876)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>95,124</u>	<u>(54,876)</u>
Expenditures:				
Salaries	1,875,888	1,753,480	1,753,476	4
Other compensation	11,800	40,917	40,798	119
Fringe benefits	477,911	400,350	400,344	6
Supplies	60,100	48,599	42,250	6,349
Services	33,100	103,600	103,547	53
Professional & contracted services	54,220	354,220	277,683	76,537
Rent, utilities & maintenance	1,100	600	470	130
Total expenditures	<u>2,514,119</u>	<u>2,701,766</u>	<u>2,618,568</u>	<u>83,198</u>
Excess (deficiency) of revenues over expenditures	<u>(2,364,119)</u>	<u>(2,551,766)</u>	<u>(2,523,444)</u>	<u>28,322</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,364,119)</u>	<u>\$ (2,551,766)</u>	<u>\$ (2,523,444)</u>	<u>\$ 28,322</u>

General Fund
Director - Administration & Finance
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 196,892	\$ 201,292	\$ 201,280	\$ 12
Other compensation	---	2,050	2,028	22
Fringe benefits	35,145	40,285	40,283	2
Supplies	4,500	5,900	5,444	456
Services	5,000	3,600	38	3,562
Total expenditures	<u>241,537</u>	<u>253,127</u>	<u>249,073</u>	<u>4,054</u>
Excess (deficiency) of revenues over expenditures	<u>(241,537)</u>	<u>(253,127)</u>	<u>(249,073)</u>	<u>4,054</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (241,537)</u>	<u>\$ (253,127)</u>	<u>\$ (249,073)</u>	<u>\$ 4,054</u>

Shelby County, Tennessee

**General Fund
Central Operations
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 222,491,000	\$ 224,662,979	\$ 227,766,264	\$ 3,103,285
Local revenue	3,318,000	3,393,656	3,624,900	231,244
State revenue	6,395,000	6,475,885	6,671,851	195,966
Elected official's fines & fees	1,701,000	2,101,000	1,754,044	(346,956)
Other revenue	2,800,000	2,800,000	1,672,427	(1,127,573)
Total revenues	<u>236,705,000</u>	<u>239,433,520</u>	<u>241,489,486</u>	<u>2,055,966</u>
Expenditures:				
Salaries	(3,286,674)	(1,803,504)	(1,803,504)	---
Fringe benefits	400,000	126,393	2,039,145	(1,912,752)
Supplies	284,000	171,002	170,614	388
Services	540,240	480,240	479,478	762
Professional & contracted services	1,800,000	2,020,327	2,016,378	3,949
Rent, utilities & maintenance	680,591	760,092	759,182	910
Intergovernmental expenditures	200,000	204,000	203,107	893
Debt services	2,700,000	1,735,372	1,261,796	473,576
Special funded projects	27,566,667	22,566,667	22,566,667	---
Grants	250,000	250,000	250,000	---
Total expenditures	<u>31,134,824</u>	<u>26,510,589</u>	<u>27,942,863</u>	<u>(1,432,274)</u>
Excess (deficiency) of revenues over expenditures	<u>205,570,176</u>	<u>212,922,931</u>	<u>213,546,623</u>	<u>623,692</u>
Other financing sources (uses):				
Transfers in	5,408,000	3,068,000	3,068,000	---
Transfers out	(13,673,014)	(15,418,499)	(15,418,257)	242
Total other financing sources (uses)	<u>(8,265,014)</u>	<u>(12,350,499)</u>	<u>(12,350,257)</u>	<u>242</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 197,305,162</u>	<u>\$ 200,572,432</u>	<u>\$ 201,196,366</u>	<u>\$ 623,934</u>

**General Fund
County Grants
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Professional & contracted services	\$ 500,000	\$ 170,516	\$ 152,861	\$ 17,655
Debt services	472,738	472,738	472,738	---
Special funded projects	6,008,301	6,187,308	6,187,307	1
Grants	126,250	196,250	196,250	---
Total expenditures	<u>7,107,289</u>	<u>7,026,812</u>	<u>7,009,156</u>	<u>17,656</u>
Excess (deficiency) of revenues over expenditures	<u>(7,107,289)</u>	<u>(7,026,812)</u>	<u>(7,009,156)</u>	<u>17,656</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (7,107,289)</u>	<u>\$ (7,026,812)</u>	<u>\$ (7,009,156)</u>	<u>\$ 17,656</u>

**General Fund
Personnel
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 390,841	\$ 390,841	\$ 367,705	\$ (23,136)
Other revenue	157,820	157,820	165,128	7,308
Total revenues	548,661	548,661	532,833	(15,828)
Expenditures:				
Salaries	1,713,327	1,882,918	1,882,867	51
Other compensation	---	20,250	20,232	18
Fringe benefits	450,724	434,433	434,385	48
Supplies	35,350	74,807	64,074	10,733
Services	41,800	45,200	40,697	4,503
Professional & contracted services	82,500	39,085	22,354	16,731
Rent, utilities & maintenance	45,000	45,000	34,549	10,451
Asset acquisitions	10,000	---	---	---
Total expenditures	2,378,701	2,541,693	2,499,158	42,535
Excess (deficiency) of revenues over expenditures	(1,830,040)	(1,993,032)	(1,966,325)	26,707
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (1,830,040)	\$ (1,993,032)	\$ (1,966,325)	\$ 26,707

Shelby County, Tennessee

**General Fund
Risk Management
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 2,315	\$ 2,315
Total revenues	---	---	2,315	2,315
Expenditures:				
Salaries	357,552	376,822	376,770	52
Other compensation	---	3,848	3,848	---
Fringe benefits	102,071	98,251	98,225	26
Supplies	21,250	22,861	19,986	2,875
Services	3,000	4,985	4,634	351
Professional & contracted services	3,225	69,474	69,472	2
Rent, utilities & maintenance	4,000	4,000	3,690	310
Total expenditures	491,098	580,241	576,625	3,616
Excess (deficiency) of revenues over expenditures	(491,098)	(580,241)	(574,310)	5,931
Other financing sources (uses):				
Transfers in	282,460	282,460	---	(282,460)
Total other financing sources (uses)	282,460	282,460	---	(282,460)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (208,638)	\$ (297,781)	\$ (574,310)	\$ (276,529)

Shelby County, Tennessee

**General Fund
Purchasing
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 889	\$ 1,036	\$ 147
Total revenues	---	889	1,036	147
Expenditures:				
Salaries	320,321	580,849	580,803	46
Other compensation	---	5,473	5,473	---
Fringe benefits	110,482	143,853	143,785	68
Supplies	18,500	27,775	25,532	2,243
Services	16,350	28,364	24,481	3,883
Rent, utilities & maintenance	1,000	1,500	1,329	171
Total expenditures	466,653	787,814	781,403	6,411
Excess (deficiency) of revenues over expenditures	(466,653)	(786,925)	(780,367)	6,558
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (466,653)</u>	<u>\$ (786,925)</u>	<u>\$ (780,367)</u>	<u>\$ 6,558</u>

Shelby County, Tennessee

**General Fund
Information Technology
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 599,796	\$ 601,448	\$ 862,864	\$ 261,416
State revenue	1,200	1,200	---	(1,200)
Federal revenue	1,800	1,800	1,200	(600)
Total revenues	<u>602,796</u>	<u>604,448</u>	<u>864,064</u>	<u>259,616</u>
Expenditures:				
Salaries	5,105,643	4,705,843	4,705,826	17
Other compensation	285,729	315,377	303,774	11,603
Fringe benefits	1,122,287	1,073,942	1,073,912	30
Supplies	229,478	753,151	544,211	208,940
Services	78,758	83,563	22,179	61,384
Professional & contracted services	379,736	488,750	371,867	116,883
Rent, utilities & maintenance	1,871,927	1,839,846	1,641,670	198,176
Asset acquisitions	324,400	197,206	97,229	99,977
Total expenditures	<u>9,397,958</u>	<u>9,457,678</u>	<u>8,760,668</u>	<u>697,010</u>
Excess (deficiency) of revenues over expenditures	<u>(8,795,162)</u>	<u>(8,853,230)</u>	<u>(7,896,604)</u>	<u>956,626</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (8,795,162)</u>	<u>\$ (8,853,230)</u>	<u>\$ (7,896,604)</u>	<u>\$ 956,626</u>

**General Fund
Finance
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,287,323	\$ 1,310,623	\$ 1,310,618	\$ 5
Other compensation	1,000	33,005	32,986	19
Fringe benefits	297,395	310,845	310,833	12
Supplies	23,300	46,128	41,353	4,775
Services	5,500	6,500	4,050	2,450
Professional & contracted services	24,000	11,500	7,614	3,886
Rent, utilities & maintenance	1,000	1,000	630	370
Total expenditures	<u>1,639,518</u>	<u>1,719,601</u>	<u>1,708,084</u>	<u>11,517</u>
Excess (deficiency) of revenues over expenditures	<u>(1,639,518)</u>	<u>(1,719,601)</u>	<u>(1,708,084)</u>	<u>11,517</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,639,518)</u>	<u>\$ (1,719,601)</u>	<u>\$ (1,708,084)</u>	<u>\$ 11,517</u>

Shelby County, Tennessee

**General Fund
Assessed Equalization Office
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 250,428	\$ 250,428
Total revenues	---	---	250,428	250,428
Expenditures:				
Salaries	194,415	251,588	251,583	5
Other compensation	---	2,850	2,824	26
Fringe benefits	50,178	56,478	56,436	42
Supplies	32,900	32,900	9,192	23,708
Services	189,000	189,338	48,206	141,132
Professional & contracted services	45,000	52,400	7,400	45,000
Rent, utilities & maintenance	1,000	1,000	---	1,000
Total expenditures	512,493	586,554	375,641	210,913
Excess (deficiency) of revenues over expenditures	(512,493)	(586,554)	(125,213)	461,341
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (512,493)</u>	<u>\$ (586,554)</u>	<u>\$ (125,213)</u>	<u>\$ 461,341</u>

Shelby County, Tennessee

**General Fund
Elections
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,030,930	\$ 2,030,930	\$ 1,061,587	\$ (969,343)
State revenue	---	---	694,911	694,911
Other revenue	2,200	2,200	2,939	739
Total revenues	<u>2,033,130</u>	<u>2,033,130</u>	<u>1,759,437</u>	<u>(273,693)</u>
Expenditures:				
Salaries	1,555,776	1,495,576	1,495,563	13
Other compensation	268,449	120,549	120,540	9
Fringe benefits	271,060	232,160	231,065	1,095
Supplies	331,938	345,236	248,464	96,772
Services	651,053	676,053	401,501	274,552
Professional & contracted services	358,500	365,645	154,546	211,099
Rent, utilities & maintenance	398,932	392,067	240,245	151,822
Asset acquisitions	35,500	10,500	---	10,500
Total expenditures	<u>3,871,208</u>	<u>3,637,786</u>	<u>2,891,924</u>	<u>745,862</u>
Excess (deficiency) of revenues over expenditures	<u>(1,838,078)</u>	<u>(1,604,656)</u>	<u>(1,132,487)</u>	<u>472,169</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,838,078)</u>	<u>\$ (1,604,656)</u>	<u>\$ (1,132,487)</u>	<u>\$ 472,169</u>

Shelby County, Tennessee

**General Fund
Jury Selection Office
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 180,708	\$ 181,908	\$ 181,860	\$ 48
Other compensation	---	2,086	2,086	---
Fringe benefits	42,052	45,352	45,342	10
Supplies	2,500	2,500	958	1,542
Services	523,200	523,200	514,142	9,058
Professional & contracted services	7,550	7,550	1,700	5,850
Rent, utilities & maintenance	270	270	---	270
Total expenditures	<u>756,280</u>	<u>762,866</u>	<u>746,088</u>	<u>16,778</u>
Excess (deficiency) of revenues over expenditures	<u>(756,280)</u>	<u>(762,866)</u>	<u>(746,088)</u>	<u>16,778</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (756,280)</u>	<u>\$ (762,866)</u>	<u>\$ (746,088)</u>	<u>\$ 16,778</u>

Shelby County, Tennessee

**General Fund
Support Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,100,000	\$ 1,102,917	\$ 1,290,140	\$ 187,223
Total revenues	<u>1,100,000</u>	<u>1,102,917</u>	<u>1,290,140</u>	<u>187,223</u>
Expenditures:				
Salaries	3,320,808	3,836,103	3,836,052	51
Other compensation	168,750	213,106	213,102	4
Fringe benefits	1,093,488	1,015,433	1,014,418	1,015
Supplies	340,966	341,157	282,639	58,518
Services	7,100	7,100	257	6,843
Professional & contracted services	1,135,280	1,324,606	1,317,401	7,205
Rent, utilities & maintenance	5,690,065	5,533,072	5,414,761	118,311
Asset acquisitions	---	52,776	49,835	2,941
Total expenditures	<u>11,756,457</u>	<u>12,323,353</u>	<u>12,128,465</u>	<u>194,888</u>
Excess (deficiency) of revenues over expenditures	<u>(10,656,457)</u>	<u>(11,220,436)</u>	<u>(10,838,325)</u>	<u>382,111</u>
Other financing sources (uses):				
Transfers in	290,000	255,000	79,210	(175,790)
Transfers out	(15,000)	(101,944)	(86,994)	14,950
Total other financing sources (uses)	<u>275,000</u>	<u>153,056</u>	<u>(7,784)</u>	<u>(160,840)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (10,381,457)</u>	<u>\$ (11,067,380)</u>	<u>\$ (10,846,109)</u>	<u>\$ 221,271</u>

**General Fund
Archives
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 75,000	\$ 75,000	\$ 58,828	\$ (16,172)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>58,828</u>	<u>(16,172)</u>
Expenditures:				
Salaries	333,848	351,975	351,930	45
Other compensation	---	3,658	3,658	---
Fringe benefits	102,478	102,949	102,927	22
Supplies	77,000	74,552	28,635	45,917
Services	8,100	8,100	3,428	4,672
Professional & contracted services	5,100	5,100	81	5,019
Rent, utilities & maintenance	29,000	29,000	(1,574)	30,574
Interdepartmental allocations	(120,000)	(120,000)	(77,135)	(42,865)
Total expenditures	<u>435,526</u>	<u>455,334</u>	<u>411,950</u>	<u>43,384</u>
Excess (deficiency) of revenues over expenditures	<u>(360,526)</u>	<u>(380,334)</u>	<u>(353,122)</u>	<u>27,212</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (360,526)</u>	<u>\$ (380,334)</u>	<u>\$ (353,122)</u>	<u>\$ 27,212</u>

Shelby County, Tennessee

**General Fund
Director - Planning & Development
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 93,733	\$ 93,733	\$ 79,388	\$ (14,345)
Total revenues	<u>93,733</u>	<u>93,733</u>	<u>79,388</u>	<u>(14,345)</u>
Expenditures:				
Salaries	264,427	258,027	245,369	12,658
Other compensation	---	1,850	1,824	26
Fringe benefits	50,965	50,965	50,705	260
Supplies	9,250	9,250	3,211	6,039
Services	6,250	6,250	1,395	4,855
Professional & contracted services	75	75	---	75
Rent, utilities & maintenance	6,500	6,500	6,363	137
Total expenditures	<u>337,467</u>	<u>332,917</u>	<u>308,867</u>	<u>24,050</u>
Excess (deficiency) of revenues over expenditures	<u>(243,734)</u>	<u>(239,184)</u>	<u>(229,479)</u>	<u>9,705</u>
Other financing sources (uses):				
Transfers in	150,000	150,000	150,000	---
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (93,734)</u>	<u>\$ (89,184)</u>	<u>\$ (79,479)</u>	<u>\$ 9,705</u>

Shelby County, Tennessee

**General Fund
Local Planning
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,107,157	\$ 1,107,157	\$ 1,031,563	\$ (75,594)
Total revenues	<u>1,107,157</u>	<u>1,107,157</u>	<u>1,031,563</u>	<u>(75,594)</u>
Expenditures:				
Salaries	1,190,863	1,173,663	1,168,284	5,379
Other compensation	---	17,200	17,135	65
Fringe benefits	293,507	293,507	286,993	6,514
Supplies	66,450	70,342	54,998	15,344
Services	31,341	39,141	18,755	20,386
Professional & contracted services	65,016	50,716	181	50,535
Rent, utilities & maintenance	83,250	89,670	58,866	30,804
Asset acquisitions	10,000	10,000	---	10,000
Total expenditures	<u>1,740,427</u>	<u>1,744,239</u>	<u>1,605,212</u>	<u>139,027</u>
Excess (deficiency) of revenues over expenditures	<u>(633,270)</u>	<u>(637,082)</u>	<u>(573,649)</u>	<u>63,433</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (633,270)</u>	<u>\$ (637,082)</u>	<u>\$ (573,649)</u>	<u>\$ 63,433</u>

Shelby County, Tennessee

**General Fund
Local Economic & Resource Development
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 27,091	\$ 27,091	\$ 21,573	\$ (5,518)
Total revenues	<u>27,091</u>	<u>27,091</u>	<u>21,573</u>	<u>(5,518)</u>
Expenditures:				
Salaries	80,856	80,906	80,856	50
Other compensation	---	850	809	41
Fringe benefits	18,443	18,943	18,925	18
Supplies	8,000	8,002	473	7,529
Services	8,500	8,500	1,233	7,267
Professional & contracted services	1,500	1,500	---	1,500
Rent, utilities & maintenance	5,500	5,500	2,598	2,902
Total expenditures	<u>122,799</u>	<u>124,201</u>	<u>104,894</u>	<u>19,307</u>
Excess (deficiency) of revenues over expenditures	<u>(95,708)</u>	<u>(97,110)</u>	<u>(83,321)</u>	<u>13,789</u>
Other financing sources (uses):				
Transfers in	68,616	68,618	61,627	(6,991)
Total other financing sources (uses)	<u>68,616</u>	<u>68,618</u>	<u>61,627</u>	<u>(6,991)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (27,092)</u>	<u>\$ (28,492)</u>	<u>\$ (21,694)</u>	<u>\$ 6,798</u>

Shelby County, Tennessee

**General Fund
Department of Housing
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 119,000	\$ ---	\$ 7,909	\$ 7,909
Total revenues	<u>119,000</u>	<u>---</u>	<u>7,909</u>	<u>7,909</u>
Expenditures:				
Salaries	497,868	458,768	457,538	1,230
Other compensation	---	8,650	8,641	9
Fringe benefits	119,310	111,692	110,017	1,675
Supplies	15,367	16,537	10,759	5,778
Services	12,307	14,107	13,984	123
Professional & contracted services	1,077	1,077	708	369
Rent, utilities & maintenance	16,496	16,584	16,566	18
Total expenditures	<u>662,425</u>	<u>627,415</u>	<u>618,213</u>	<u>9,202</u>
Excess (deficiency) of revenues over expenditures	<u>(543,425)</u>	<u>(627,415)</u>	<u>(610,304)</u>	<u>17,111</u>
Other financing sources (uses):				
Transfers in	60,976	179,976	178,802	(1,174)
Transfers out	(149,548)	(190,215)	(109,098)	81,117
Total other financing sources (uses)	<u>(88,572)</u>	<u>(10,239)</u>	<u>69,704</u>	<u>79,943</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (631,997)</u>	<u>\$ (637,654)</u>	<u>\$ (540,600)</u>	<u>\$ 97,054</u>

Shelby County, Tennessee

**General Fund
Department of Regional Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 26,202	\$ 26,202	\$ 19,211	\$ (6,991)
Total revenues	<u>26,202</u>	<u>26,202</u>	<u>19,211</u>	<u>(6,991)</u>
Expenditures:				
Salaries	53,304	53,304	53,304	---
Other compensation	---	550	533	17
Fringe benefits	10,624	10,624	10,313	311
Supplies	9,041	9,441	4,057	5,384
Services	3,739	3,739	1,500	2,239
Professional & contracted services	7,500	7,500	---	7,500
Rent, utilities & maintenance	2,500	2,500	---	2,500
Total expenditures	<u>86,708</u>	<u>87,658</u>	<u>69,707</u>	<u>17,951</u>
Excess (deficiency) of revenues over expenditures	<u>(60,506)</u>	<u>(61,456)</u>	<u>(50,496)</u>	<u>10,960</u>
Other financing sources (uses):				
Transfers in	279,029	279,029	185,291	(93,738)
Transfers out	(243,726)	(243,726)	(153,098)	90,628
Total other financing sources (uses)	<u>35,303</u>	<u>35,303</u>	<u>32,193</u>	<u>(3,110)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (25,203)</u>	<u>\$ (26,153)</u>	<u>\$ (18,303)</u>	<u>\$ 7,850</u>

Shelby County, Tennessee

**General Fund
Director & Staff - Public Works
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 408,000	\$ 715,867	\$ 858,747	\$ 142,880
Other revenue	20,000	20,000	13,794	(6,206)
Total revenues	428,000	735,867	872,541	136,674
Expenditures:				
Salaries	386,374	590,536	590,498	38
Other compensation	---	21,932	21,924	8
Fringe benefits	78,005	131,455	131,446	9
Supplies	14,725	27,423	24,568	2,855
Services	38,650	38,883	35,352	3,531
Professional & contracted services	27,500	98,363	81,153	17,210
Rent, utilities & maintenance	---	120,419	103,076	17,343
Asset acquisitions	---	12,127	12,127	---
Contingencies & restrictions	(182,988)	---	---	---
Total expenditures	362,266	1,041,138	1,000,144	40,994
Excess (deficiency) of revenues over expenditures	65,734	(305,271)	(127,603)	177,668
Other financing sources (uses):				
Transfers in	635,170	635,170	42,199	(592,971)
Transfers out	(255,649)	(184,335)	(147,024)	37,311
Total other financing sources (uses)	379,521	450,835	(104,825)	(555,660)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 445,255	\$ 145,564	\$ (232,428)	\$ (377,992)

Shelby County, Tennessee

**General Fund
County Engineer
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 258,000	\$ 258,000	\$ 298,140	\$ 40,140
Total revenues	<u>258,000</u>	<u>258,000</u>	<u>298,140</u>	<u>40,140</u>
Expenditures:				
Salaries	1,633,757	1,537,196	1,537,130	66
Other compensation	---	34,070	33,960	110
Fringe benefits	406,643	362,124	362,124	---
Supplies	71,350	66,485	66,069	416
Services	25,550	14,336	12,947	1,389
Professional & contracted services	101,000	139,570	137,796	1,774
Rent, utilities & maintenance	240,500	181,942	166,684	15,258
Total expenditures	<u>2,478,800</u>	<u>2,335,723</u>	<u>2,316,710</u>	<u>19,013</u>
Excess (deficiency) of revenues over expenditures	<u>(2,220,800)</u>	<u>(2,077,723)</u>	<u>(2,018,570)</u>	<u>59,153</u>
Other financing sources (uses):				
Transfers in	1,450,000	1,450,000	1,450,000	---
Total other financing sources (uses)	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (770,800)</u>	<u>\$ (627,723)</u>	<u>\$ (568,570)</u>	<u>\$ 59,153</u>

Shelby County, Tennessee

**General Fund
Emergency Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Revenues:				
Local revenue	\$ 400,000	\$ 400,000	\$ 388,111	\$ (11,889)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>388,111</u>	<u>(11,889)</u>
Expenditures:				
Professional & contracted services	<u>1,270,111</u>	<u>1,270,111</u>	<u>1,268,135</u>	<u>1,976</u>
Total expenditures	<u>1,270,111</u>	<u>1,270,111</u>	<u>1,268,135</u>	<u>1,976</u>
Excess (deficiency) of revenues over expenditures	<u>(870,111)</u>	<u>(870,111)</u>	<u>(880,024)</u>	<u>(9,913)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (870,111)</u>	<u>\$ (870,111)</u>	<u>\$ (880,024)</u>	<u>\$ (9,913)</u>

**General Fund
Environmental Improvement Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 12,364	\$ ---	\$ ---	\$ ---
Fringe benefits	2,524	---	---	---
Supplies	5,000	3,155	---	3,155
Services	---	45	---	45
Total expenditures	<u>19,888</u>	<u>3,200</u>	<u>---</u>	<u>3,200</u>
Excess (deficiency) of revenues over expenditures	<u>(19,888)</u>	<u>(3,200)</u>	<u>---</u>	<u>3,200</u>
Other financing sources (uses):				
Transfers out	<u>(63,112)</u>	<u>(64,912)</u>	<u>(64,860)</u>	<u>52</u>
Total other financing sources (uses)	<u>(63,112)</u>	<u>(64,912)</u>	<u>(64,860)</u>	<u>52</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (83,000)</u>	<u>\$ (68,112)</u>	<u>\$ (64,860)</u>	<u>\$ 3,252</u>

Shelby County, Tennessee

**General Fund
Soil Conservation
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 58,104	\$ 58,104	\$ 58,104	\$ ---
Other compensation	---	640	640	---
Fringe benefits	21,504	22,099	22,095	4
Supplies	2,600	2,600	2,144	456
Services	2,200	2,200	1,630	570
Professional & contracted services	3,000	3,000	2,836	164
Total expenditures	<u>87,408</u>	<u>88,643</u>	<u>87,449</u>	<u>1,194</u>
Excess (deficiency) of revenues over expenditures	<u>(87,408)</u>	<u>(88,643)</u>	<u>(87,449)</u>	<u>1,194</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (87,408)</u>	<u>\$ (88,643)</u>	<u>\$ (87,449)</u>	<u>\$ 1,194</u>

**General Fund
Weights & Measures
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 35,892	\$ 48,480	\$ 48,480	\$ ---
Other compensation	---	485	485	---
Fringe benefits	20,188	13,221	13,221	---
Supplies	4,824	3,224	1,084	2,140
Services	700	3,800	3,220	580
Professional & contracted services	100	100	75	25
Rent, utilities & maintenance	1,600	3,100	1,946	1,154
Asset acquisitions	4,000	1,000	---	1,000
Total expenditures	<u>67,304</u>	<u>73,410</u>	<u>68,511</u>	<u>4,899</u>
Excess (deficiency) of revenues over expenditures	<u>(67,304)</u>	<u>(73,410)</u>	<u>(68,511)</u>	<u>4,899</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (67,304)</u>	<u>\$ (73,410)</u>	<u>\$ (68,511)</u>	<u>\$ 4,899</u>

Shelby County, Tennessee

**General Fund
Shelby Farms
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 233,000	\$ 233,000	\$ 202,092	\$ (30,908)
Other revenue	---	---	473	473
Total revenues	<u>233,000</u>	<u>233,000</u>	<u>202,565</u>	<u>(30,435)</u>
Expenditures:				
Salaries	291,982	268,672	268,672	---
Other compensation	8,500	18,648	18,648	---
Fringe benefits	99,878	72,331	72,331	---
Supplies	49,300	48,861	35,558	13,303
Services	1,000	1,188	1,168	20
Professional & contracted services	15,000	4,795	4,795	---
Rent, utilities & maintenance	187,750	132,241	132,138	103
Asset acquisitions	20,000	69,594	67,763	1,831
Total expenditures	<u>673,410</u>	<u>616,330</u>	<u>601,073</u>	<u>15,257</u>
Excess (deficiency) of revenues over expenditures	<u>(440,410)</u>	<u>(383,330)</u>	<u>(398,508)</u>	<u>(15,178)</u>
Other financing sources (uses):				
Transfers in	---	30,000	30,000	---
Transfers out	(20,000)	(20,000)	(18,372)	1,628
Total other financing sources (uses)	<u>(20,000)</u>	<u>10,000</u>	<u>11,628</u>	<u>1,628</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (460,410)</u>	<u>\$ (373,330)</u>	<u>\$ (386,880)</u>	<u>\$ (13,550)</u>

**General Fund
Agriculture Extension Service
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 226,436	\$ 226,436	\$ 226,366	\$ 70
Other compensation	---	2,400	2,400	---
Fringe benefits	46,344	53,184	53,182	2
Supplies	1,000	119	119	---
Services	200	9	9	---
Rent, utilities & maintenance	39,484	43,165	43,161	4
Total expenditures	<u>313,464</u>	<u>325,313</u>	<u>325,237</u>	<u>76</u>
Excess (deficiency) of revenues over expenditures	<u>(313,464)</u>	<u>(325,313)</u>	<u>(325,237)</u>	<u>76</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (313,464)</u>	<u>\$ (325,313)</u>	<u>\$ (325,237)</u>	<u>\$ 76</u>

Shelby County, Tennessee

**General Fund
Conservation Board
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 570,600	\$ 574,638	\$ 447,215	\$ (127,423)
Other revenue	---	---	1,349	1,349
Total revenues	<u>570,600</u>	<u>574,638</u>	<u>448,564</u>	<u>(126,074)</u>
Expenditures:				
Salaries	156,247	186,468	186,468	---
Other compensation	---	1,907	1,907	---
Fringe benefits	33,040	33,040	32,602	438
Supplies	87,072	74,458	74,457	1
Services	10,200	3,934	3,934	---
Professional & contracted services	538,200	497,852	497,852	---
Rent, utilities & maintenance	206,300	211,616	211,116	500
Asset acquisitions	---	12,159	12,159	---
Contingencies & restrictions	24,000	50,000	---	50,000
Total expenditures	<u>1,055,059</u>	<u>1,071,434</u>	<u>1,020,495</u>	<u>50,939</u>
Excess (deficiency) of revenues over expenditures	<u>(484,459)</u>	<u>(496,796)</u>	<u>(571,931)</u>	<u>(75,135)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (484,459)</u>	<u>\$ (496,796)</u>	<u>\$ (571,931)</u>	<u>\$ (75,135)</u>

Shelby County, Tennessee

**General Fund
Port Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 500,000	\$ 500,000	\$ 708,300	\$ 208,300
Other revenue	---	---	38,480	38,480
Total revenues	500,000	500,000	746,780	246,780
Expenditures:				
Supplies	413,682	397,134	397,134	---
Contingencies & restrictions	(572,841)	---	---	---
Total expenditures	(159,159)	397,134	397,134	---
Excess (deficiency) of revenues over expenditures	659,159	102,866	349,646	246,780
Other financing sources (uses):				
Transfers out	(659,159)	(354,108)	(354,108)	---
Total other financing sources (uses)	(659,159)	(354,108)	(354,108)	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ (251,242)	\$ (4,462)	\$ 246,780

Shelby County, Tennessee

**General Fund
Security & Investigation
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 100	\$ 100
Total revenues	---	---	100	100
Expenditures:				
Salaries	1,284,789	1,426,187	1,426,187	---
Other compensation	69,000	105,075	105,075	---
Fringe benefits	377,512	384,442	384,442	---
Supplies	68,400	42,491	42,480	11
Services	11,900	4,500	4,418	82
Professional & contracted services	943,398	971,768	971,768	---
Rent, utilities & maintenance	47,000	40,200	40,193	7
Interdepartmental allocations	(1,569,513)	(1,569,513)	(1,569,513)	---
Total expenditures	1,232,486	1,405,150	1,405,050	100
Excess (deficiency) of revenues over expenditures	(1,232,486)	(1,405,150)	(1,404,950)	200
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (1,232,486)	\$ (1,405,150)	\$ (1,404,950)	\$ 200

Shelby County, Tennessee

**General Fund
Director - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 136,716	\$ 136,716	\$ 136,716	\$ ---
Other compensation	---	1,400	1,368	32
Fringe benefits	26,734	27,034	27,007	27
Total expenditures	<u>163,450</u>	<u>165,150</u>	<u>165,091</u>	<u>59</u>
Excess (deficiency) of revenues over expenditures	<u>(163,450)</u>	<u>(165,150)</u>	<u>(165,091)</u>	<u>59</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (163,450)</u>	<u>\$ (165,150)</u>	<u>\$ (165,091)</u>	<u>\$ 59</u>

Shelby County, Tennessee

**General Fund
Forensic Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 730,259	\$ 730,259	\$ 777,104	\$ 46,845
Total revenues	<u>730,259</u>	<u>730,259</u>	<u>777,104</u>	<u>46,845</u>
Expenditures:				
Supplies	2,200	6,934	4,734	2,200
Services	200	223	---	223
Professional & contracted services	1,681,177	1,782,189	1,782,188	1
Rent, utilities & maintenance	80,000	82,032	66,552	15,480
Asset acquisitions	8,000	49,378	47,114	2,264
Total expenditures	<u>1,771,577</u>	<u>1,920,756</u>	<u>1,900,588</u>	<u>20,168</u>
Excess (deficiency) of revenues over expenditures	<u>(1,041,318)</u>	<u>(1,190,497)</u>	<u>(1,123,484)</u>	<u>67,013</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,041,318)</u>	<u>\$ (1,190,497)</u>	<u>\$ (1,123,484)</u>	<u>\$ 67,013</u>

Shelby County, Tennessee

**General Fund
Administration & Finance - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 11,445,183	\$ 11,460,183	\$ 11,492,824	\$ 32,641
Patient service revenue	1,000	1,000	---	(1,000)
Other revenue	1,000	1,000	531	(469)
Total revenues	<u>11,447,183</u>	<u>11,462,183</u>	<u>11,493,355</u>	<u>31,172</u>
Expenditures:				
Salaries	1,237,413	2,951,803	2,951,603	200
Other compensation	39,390	23,590	23,162	428
Fringe benefits	420,237	334,828	332,345	2,483
Supplies	96,379	88,471	60,968	27,503
Services	26,637	21,937	19,653	2,284
Professional & contracted services	6,289,943	6,194,529	6,188,218	6,311
Rent, utilities & maintenance	444,792	571,575	510,157	61,418
Asset acquisitions	---	21,396	20,395	1,001
Total expenditures	<u>8,554,791</u>	<u>10,208,129</u>	<u>10,106,501</u>	<u>101,628</u>
Excess (deficiency) of revenues over expenditures	<u>2,892,392</u>	<u>1,254,054</u>	<u>1,386,854</u>	<u>132,800</u>
Other financing sources (uses):				
Transfers in	2,225,411	3,080,044	2,892,236	(187,808)
Transfers out	(125,000)	(988,906)	(962,560)	26,346
Total other financing sources (uses)	<u>2,100,411</u>	<u>2,091,138</u>	<u>1,929,676</u>	<u>(161,462)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 4,992,803</u>	<u>\$ 3,345,192</u>	<u>\$ 3,316,530</u>	<u>\$ (28,662)</u>

Shelby County, Tennessee

**General Fund
Environmental Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,621,423	\$ 1,634,349	\$ 2,170,484	\$ 536,135
State revenue	1,017,442	1,017,442	665,029	(352,413)
Total revenues	<u>2,638,865</u>	<u>2,651,791</u>	<u>2,835,513</u>	<u>183,722</u>
Expenditures:				
Salaries	4,440,668	3,975,168	3,860,215	114,953
Other compensation	23,875	165,531	110,500	55,031
Fringe benefits	1,106,658	1,035,535	988,464	47,071
Supplies	194,523	305,388	293,151	12,237
Services	156,730	136,902	60,669	76,233
Professional & contracted services	155,436	172,944	49,617	123,327
Rent, utilities & maintenance	158,011	184,644	157,382	27,262
Asset acquisitions	142,750	133,250	---	133,250
Total expenditures	<u>6,378,651</u>	<u>6,109,362</u>	<u>5,519,998</u>	<u>589,364</u>
Excess (deficiency) of revenues over expenditures	<u>(3,739,786)</u>	<u>(3,457,571)</u>	<u>(2,684,485)</u>	<u>773,086</u>
Other financing sources (uses):				
Transfers out	(1,544,226)	(1,396,730)	(1,285,276)	111,454
Planned use of fund balance	304,684	---	---	---
Total other financing sources (uses)	<u>(1,239,542)</u>	<u>(1,396,730)</u>	<u>(1,285,276)</u>	<u>111,454</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (4,979,328)</u>	<u>\$ (4,854,301)</u>	<u>\$ (3,969,761)</u>	<u>\$ 884,540</u>

Shelby County, Tennessee

**General Fund
Personal Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,747,377	\$ 1,747,377	\$ 1,133,815	\$ (613,562)
State revenue	28,000	28,000	545	(27,455)
Patient service revenue	708,110	708,110	700,092	(8,018)
Total revenues	<u>2,483,487</u>	<u>2,483,487</u>	<u>1,834,452</u>	<u>(649,035)</u>
Expenditures:				
Salaries	4,260,661	3,578,894	3,374,080	204,814
Other compensation	47,960	114,750	98,570	16,180
Fringe benefits	1,016,756	884,546	796,652	87,894
Supplies	1,012,253	1,087,653	816,234	271,419
Services	143,564	142,274	65,165	77,109
Professional & contracted services	5,213,512	5,238,885	5,064,321	174,564
Rent, utilities & maintenance	893,864	899,176	799,067	100,109
Interdepartmental allocations	(40,000)	(40,000)	(20,111)	(19,889)
Asset acquisitions	15,500	---	---	---
Total expenditures	<u>12,564,070</u>	<u>11,906,178</u>	<u>10,993,978</u>	<u>912,200</u>
Excess (deficiency) of revenues over expenditures	<u>(10,080,583)</u>	<u>(9,422,691)</u>	<u>(9,159,526)</u>	<u>263,165</u>
Other financing sources (uses):				
Transfers in	1,196,945	1,259,679	749,469	(510,210)
Transfers out	(421,544)	(421,544)	(421,544)	---
Total other financing sources (uses)	<u>775,401</u>	<u>838,135</u>	<u>327,925</u>	<u>(510,210)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (9,305,182)</u>	<u>\$ (8,584,556)</u>	<u>\$ (8,831,601)</u>	<u>\$ (247,045)</u>

Shelby County, Tennessee

**General Fund
Assessment & Assurance
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 679,260	\$ 679,260	\$ 774,234	\$ 94,974
Total revenues	<u>679,260</u>	<u>679,260</u>	<u>774,234</u>	<u>94,974</u>
Expenditures:				
Salaries	919,839	896,295	814,157	82,138
Other compensation	16,640	16,640	13,081	3,559
Fringe benefits	222,742	215,316	200,271	15,045
Supplies	84,527	100,833	79,698	21,135
Services	34,237	33,587	14,089	19,498
Professional & contracted services	156,700	163,227	158,412	4,815
Rent, utilities & maintenance	86,084	71,951	62,981	8,970
Asset acquisitions	5,000	5,000	---	5,000
Total expenditures	<u>1,525,769</u>	<u>1,502,849</u>	<u>1,342,689</u>	<u>160,160</u>
Excess (deficiency) of revenues over expenditures	<u>(846,509)</u>	<u>(823,589)</u>	<u>(568,455)</u>	<u>255,134</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (846,509)</u>	<u>\$ (823,589)</u>	<u>\$ (568,455)</u>	<u>\$ 255,134</u>

**General Fund
Director - Community Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 182,259	\$ 155,459	\$ 138,529	\$ 16,930
Other compensation	---	4,300	4,269	31
Fringe benefits	39,975	35,675	27,853	7,822
Supplies	2,120	1,603	1,335	268
Services	3,000	2,200	2,178	22
Total expenditures	<u>227,354</u>	<u>199,237</u>	<u>174,164</u>	<u>25,073</u>
Excess (deficiency) of revenues over expenditures	<u>(227,354)</u>	<u>(199,237)</u>	<u>(174,164)</u>	<u>25,073</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (227,354)</u>	<u>\$ (199,237)</u>	<u>\$ (174,164)</u>	<u>\$ 25,073</u>

Shelby County, Tennessee

**General Fund
Special Funded Projects
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ ---	\$ ---	\$ 48,870	\$ 48,870
Total revenues	---	---	48,870	48,870
Expenditures:				
Salaries	75,000	29,700	4,080	25,620
Fringe benefits	15,064	15,064	1,512	13,552
Services	250,000	317,885	315,165	2,720
Professional & contracted services	299,578	321,300	314,383	6,917
Total expenditures	639,642	683,949	635,140	48,809
Excess (deficiency) of revenues over expenditures	(639,642)	(683,949)	(586,270)	97,679
Other financing sources (uses):				
Transfers in	250,000	316,515	314,915	(1,600)
Transfers out	(161,106)	(187,964)	(15,320)	172,644
Total other financing sources (uses)	88,894	128,551	299,595	171,044
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (550,748)	\$ (555,398)	\$ (286,675)	\$ 268,723

Shelby County, Tennessee

**General Fund
Crime Victims Center
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 2,710	\$ 2,710
Total revenues	---	---	2,710	2,710
Expenditures:				
Salaries	213,655	229,275	225,748	3,527
Other compensation	---	2,500	2,394	106
Fringe benefits	51,658	46,514	46,003	511
Supplies	15,000	16,313	13,048	3,265
Services	19,200	18,700	18,117	583
Total expenditures	299,513	313,302	305,310	7,992
Excess (deficiency) of revenues over expenditures	(299,513)	(313,302)	(302,600)	10,702
Other financing sources (uses):				
Transfers out	(58,235)	(64,797)	(60,343)	4,454
Total other financing sources (uses)	(58,235)	(64,797)	(60,343)	4,454
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (357,748)	\$ (378,099)	\$ (362,943)	\$ 15,156

**General Fund
Office On Aging
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 25,747	\$ 43,247	\$ 43,152	\$ 95
Other compensation	---	700	600	100
Fringe benefits	18,985	15,785	15,741	44
Supplies	3,326	3,326	---	3,326
Rent, utilities & maintenance	1,800	1,800	1,800	---
Total expenditures	<u>49,858</u>	<u>64,858</u>	<u>61,293</u>	<u>3,565</u>
Excess (deficiency) of revenues over expenditures	<u>(49,858)</u>	<u>(64,858)</u>	<u>(61,293)</u>	<u>3,565</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (49,858)</u>	<u>\$ (64,858)</u>	<u>\$ (61,293)</u>	<u>\$ 3,565</u>

Shelby County, Tennessee

**General Fund
Pretrial Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 600,000	\$ 600,000	\$ 371,625	\$ (228,375)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>371,625</u>	<u>(228,375)</u>
Expenditures:				
Salaries	1,940,223	2,008,723	2,008,504	219
Other compensation	5,000	23,500	23,301	199
Fringe benefits	599,172	551,962	551,224	738
Supplies	28,817	30,801	26,209	4,592
Services	5,500	12,120	11,477	643
Professional & contracted services	19,000	2,394	2,317	77
Rent, utilities & maintenance	15,000	15,000	12,291	2,709
Total expenditures	<u>2,612,712</u>	<u>2,644,500</u>	<u>2,635,323</u>	<u>9,177</u>
Excess (deficiency) of revenues over expenditures	<u>(2,012,712)</u>	<u>(2,044,500)</u>	<u>(2,263,698)</u>	<u>(219,198)</u>
Other financing sources (uses):				
Transfers out	<u>(11,290)</u>	<u>(34,006)</u>	<u>(26,423)</u>	<u>7,583</u>
Total other financing sources (uses)	<u>(11,290)</u>	<u>(34,006)</u>	<u>(26,423)</u>	<u>7,583</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,024,002)</u>	<u>\$ (2,078,506)</u>	<u>\$ (2,290,121)</u>	<u>\$ (211,615)</u>

Shelby County, Tennessee

**General Fund
Veteran Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 81,484	\$ 81,484	\$ 78,436	\$ 3,048
Other compensation	---	350	300	50
Fringe benefits	29,912	24,762	22,711	2,051
Supplies	500	500	304	196
Services	2,100	2,350	2,239	111
Total expenditures	<u>113,996</u>	<u>109,446</u>	<u>103,990</u>	<u>5,456</u>
Excess (deficiency) of revenues over expenditures	<u>(113,996)</u>	<u>(109,446)</u>	<u>(103,990)</u>	<u>5,456</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (113,996)</u>	<u>\$ (109,446)</u>	<u>\$ (103,990)</u>	<u>\$ 5,456</u>

Shelby County, Tennessee

**General Fund
Sheriff - Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 885,000	\$ 1,059,195	\$ 1,388,464	\$ 329,269
State revenue	1,360,255	1,360,255	1,423,348	63,093
Elected official's fines & fees	1,293,900	1,293,900	1,480,700	186,800
Other revenue	78,000	78,000	87,990	9,990
Total revenues	<u>3,617,155</u>	<u>3,791,350</u>	<u>4,380,502</u>	<u>589,152</u>
Expenditures:				
Salaries	76,614,250	78,888,696	78,810,741	77,955
Other compensation	7,959,934	8,073,433	8,073,394	39
Fringe benefits	22,037,881	21,220,131	21,209,237	10,894
Supplies	6,169,305	5,646,081	4,652,625	993,456
Services	1,569,556	1,348,725	1,094,150	254,575
Professional & contracted services	7,436,441	6,739,542	6,322,609	416,933
Rent, utilities & maintenance	4,368,102	4,104,253	3,656,335	447,918
Asset acquisitions	2,113,164	1,274,610	1,216,285	58,325
Contingencies & restrictions	(2,167,131)	---	---	---
Total expenditures	<u>126,101,502</u>	<u>127,295,471</u>	<u>125,035,376</u>	<u>2,260,095</u>
Excess (deficiency) of revenues over expenditures	<u>(122,484,347)</u>	<u>(123,504,121)</u>	<u>(120,654,874)</u>	<u>2,849,247</u>
Other financing sources (uses):				
Transfers out	(14,738)	(14,738)	(12,519)	2,219
Total other financing sources (uses)	<u>(14,738)</u>	<u>(14,738)</u>	<u>(12,519)</u>	<u>2,219</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (122,499,085)</u>	<u>\$ (123,518,859)</u>	<u>\$ (120,667,393)</u>	<u>\$ 2,851,466</u>

**General Fund
Chancery Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 59,160	\$ 39,060	\$ 31,797	\$ 7,263
Fringe benefits	5,300	5,300	3,379	1,921
Total expenditures	<u>64,460</u>	<u>44,360</u>	<u>35,176</u>	<u>9,184</u>
Excess (deficiency) of revenues over expenditures	<u>(64,460)</u>	<u>(44,360)</u>	<u>(35,176)</u>	<u>9,184</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (64,460)</u>	<u>\$ (44,360)</u>	<u>\$ (35,176)</u>	<u>\$ 9,184</u>

**General Fund
Circuit Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
Expenditures:				
Salaries	\$ 104,967	\$ 104,867	\$ 101,950	\$ 2,917
Fringe benefits	9,406	9,506	9,480	26
Total expenditures	114,373	114,373	111,430	2,943
Excess (deficiency) of revenues over expenditures	(114,373)	(114,373)	(111,430)	2,943
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (114,373)	\$ (114,373)	\$ (111,430)	\$ 2,943

**General Fund
Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 61,992	\$ 61,992	\$ 58,717	\$ 3,275
Fringe benefits	5,555	5,555	5,484	71
Total expenditures	<u>67,547</u>	<u>67,547</u>	<u>64,201</u>	<u>3,346</u>
Excess (deficiency) of revenues over expenditures	<u>(67,547)</u>	<u>(67,547)</u>	<u>(64,201)</u>	<u>3,346</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (67,547)</u>	<u>\$ (67,547)</u>	<u>\$ (64,201)</u>	<u>\$ 3,346</u>

**General Fund
General Sessions Civil Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 745,452	\$ 746,352	\$ 746,349	\$ 3
Other compensation	---	744	744	---
Fringe benefits	136,251	139,451	139,422	29
Supplies	17,635	18,485	12,832	5,653
Services	38,495	37,645	21,256	16,389
Rent, utilities & maintenance	6,250	6,250	5,100	1,150
Total expenditures	<u>944,083</u>	<u>948,927</u>	<u>925,703</u>	<u>23,224</u>
Excess (deficiency) of revenues over expenditures	<u>(944,083)</u>	<u>(948,927)</u>	<u>(925,703)</u>	<u>23,224</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (944,083)</u>	<u>\$ (948,927)</u>	<u>\$ (925,703)</u>	<u>\$ 23,224</u>

Shelby County, Tennessee

**General Fund
General Sessions Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 75,000	\$ 85,000	\$ 10,000
Elected official's fines & fees	48,000	48,000	229,558	181,558
Total revenues	48,000	123,000	314,558	191,558
Expenditures:				
Salaries	1,726,455	1,708,455	1,706,784	1,671
Other compensation	---	6,348	6,348	---
Fringe benefits	304,628	322,628	322,556	72
Supplies	60,400	60,841	56,464	4,377
Services	56,250	56,351	44,229	12,122
Professional & contracted services	100,000	150,109	145,485	4,624
Rent, utilities & maintenance	17,700	17,700	13,570	4,130
Total expenditures	2,265,433	2,322,432	2,295,436	26,996
Excess (deficiency) of revenues over expenditures	(2,217,433)	(2,199,432)	(1,980,878)	218,554
Other financing sources (uses):				
Transfers out	(14,340)	(39,595)	(22,332)	17,263
Total other financing sources (uses)	(14,340)	(39,595)	(22,332)	17,263
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (2,231,773)	\$ (2,239,027)	\$ (2,003,210)	\$ 235,817

Shelby County, Tennessee

**General Fund
Probate Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 296,378	\$ 309,883	\$ 309,880	\$ 3
Other compensation	---	6,104	6,100	4
Fringe benefits	56,246	56,516	56,513	3
Total expenditures	<u>352,624</u>	<u>372,503</u>	<u>372,493</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>(352,624)</u>	<u>(372,503)</u>	<u>(372,493)</u>	<u>10</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (352,624)</u>	<u>\$ (372,503)</u>	<u>\$ (372,493)</u>	<u>\$ 10</u>

Shelby County, Tennessee

**General Fund
Chancery Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 2,310,000	\$ 3,010,000	\$ 3,074,467	\$ 64,467
Other revenue	90,000	90,000	54,904	(35,096)
Total revenues	<u>2,400,000</u>	<u>3,100,000</u>	<u>3,129,371</u>	<u>29,371</u>
Expenditures:				
Salaries	789,854	804,274	804,273	1
Other compensation	---	9,794	9,791	3
Fringe benefits	204,311	206,741	206,740	1
Supplies	53,500	34,582	33,096	1,486
Services	23,200	16,700	15,325	1,375
Professional & contracted services	1,750	1,390	1,040	350
Rent, utilities & maintenance	93,228	76,900	76,338	562
Asset acquisitions	20,000	---	---	---
Contingencies & restrictions	(56,506)	---	---	---
Total expenditures	<u>1,129,337</u>	<u>1,150,381</u>	<u>1,146,603</u>	<u>3,778</u>
Excess (deficiency) of revenues over expenditures	<u>1,270,663</u>	<u>1,949,619</u>	<u>1,982,768</u>	<u>33,149</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 1,270,663</u>	<u>\$ 1,949,619</u>	<u>\$ 1,982,768</u>	<u>\$ 33,149</u>

Shelby County, Tennessee

**General Fund
Circuit Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 1,655,580	\$ 1,655,580	\$ 1,819,258	\$ 163,678
Other revenue	108,000	108,000	61,896	(46,104)
Total revenues	<u>1,763,580</u>	<u>1,763,580</u>	<u>1,881,154</u>	<u>117,574</u>
Expenditures:				
Salaries	1,755,114	1,712,472	1,705,241	7,231
Other compensation	5,771	23,168	17,552	5,616
Fringe benefits	438,678	403,393	403,201	192
Supplies	96,500	88,704	72,753	15,951
Services	45,300	47,300	30,037	17,263
Professional & contracted services	1,100	1,100	1,063	37
Rent, utilities & maintenance	161,600	154,329	124,876	29,453
Asset acquisitions	25,800	23,646	19,345	4,301
Contingencies & restrictions	(99,723)	---	---	---
Total expenditures	<u>2,430,140</u>	<u>2,454,112</u>	<u>2,374,068</u>	<u>80,044</u>
Excess (deficiency) of revenues over expenditures	<u>(666,560)</u>	<u>(690,532)</u>	<u>(492,914)</u>	<u>197,618</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (666,560)</u>	<u>\$ (690,532)</u>	<u>\$ (492,914)</u>	<u>\$ 197,618</u>

Shelby County, Tennessee

**General Fund
Criminal Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 4,246,084	\$ 4,479,084	\$ 5,227,476	\$ 748,392
Other revenue	25,000	25,000	12,891	(12,109)
Total revenues	<u>4,271,084</u>	<u>4,504,084</u>	<u>5,240,367</u>	<u>736,283</u>
Expenditures:				
Salaries	2,904,769	3,084,969	3,084,898	71
Other compensation	---	40,748	40,693	55
Fringe benefits	813,406	813,406	800,915	12,491
Supplies	200,562	96,264	92,715	3,549
Services	61,670	51,078	49,653	1,425
Professional & contracted services	2,900	121,619	120,619	1,000
Rent, utilities & maintenance	125,391	122,525	121,703	822
Asset acquisitions	20,000	---	---	---
Contingencies & restrictions	(181,317)	---	---	---
Total expenditures	<u>3,947,381</u>	<u>4,330,609</u>	<u>4,311,196</u>	<u>19,413</u>
Excess (deficiency) of revenues over expenditures	<u>323,703</u>	<u>173,475</u>	<u>929,171</u>	<u>755,696</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 323,703</u>	<u>\$ 173,475</u>	<u>\$ 929,171</u>	<u>\$ 755,696</u>

Shelby County, Tennessee

**General Fund
General Sessions Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 6,907,648	\$ 6,907,648	\$ 6,516,784	\$ (390,864)
Other revenue	95,800	95,800	70,322	(25,478)
Total revenues	<u>7,003,448</u>	<u>7,003,448</u>	<u>6,587,106</u>	<u>(416,342)</u>
Expenditures:				
Salaries	4,748,058	4,743,958	4,504,338	239,620
Other compensation	95,372	123,532	91,586	31,946
Fringe benefits	1,233,102	1,233,102	1,146,185	86,917
Supplies	305,118	319,100	212,055	107,045
Services	284,168	306,490	204,825	101,665
Professional & contracted services	70,500	40,500	9,840	30,660
Rent, utilities & maintenance	196,081	228,081	167,216	60,865
Asset acquisitions	55,284	55,284	7,500	47,784
Total expenditures	<u>6,987,683</u>	<u>7,050,047</u>	<u>6,343,545</u>	<u>706,502</u>
Excess (deficiency) of revenues over expenditures	<u>15,765</u>	<u>(46,599)</u>	<u>243,561</u>	<u>290,160</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 15,765</u>	<u>\$ (46,599)</u>	<u>\$ 243,561</u>	<u>\$ 290,160</u>

Shelby County, Tennessee

**General Fund
Probate Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 520,000	\$ 520,000	\$ 449,629	\$ (70,371)
Total revenues	<u>520,000</u>	<u>520,000</u>	<u>449,629</u>	<u>(70,371)</u>
Expenditures:				
Salaries	377,072	351,432	344,248	7,184
Other compensation	---	3,292	3,292	---
Fringe benefits	91,692	95,692	95,472	220
Supplies	30,795	34,206	34,202	4
Services	14,000	14,930	14,923	7
Professional & contracted services	3,000	1,710	1,710	---
Rent, utilities & maintenance	14,500	15,539	15,507	32
Asset acquisitions	2,000	---	---	---
Total expenditures	<u>533,059</u>	<u>516,801</u>	<u>509,354</u>	<u>7,447</u>
Excess (deficiency) of revenues over expenditures	<u>(13,059)</u>	<u>3,199</u>	<u>(59,725)</u>	<u>(62,924)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (13,059)</u>	<u>\$ 3,199</u>	<u>\$ (59,725)</u>	<u>\$ (62,924)</u>

Shelby County, Tennessee

**General Fund
Juvenile Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 500,000	\$ 500,000	\$ 669,981	\$ 169,981
Elected official's fines & fees	1,100,000	1,100,000	642,807	(457,193)
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,312,788</u>	<u>(287,212)</u>
Expenditures:				
Salaries	2,601,631	2,583,631	2,466,676	116,955
Other compensation	11,500	47,680	43,373	4,307
Fringe benefits	688,884	688,884	635,572	53,312
Supplies	145,650	171,402	125,723	45,679
Services	132,000	121,410	66,540	54,870
Professional & contracted services	136,000	136,000	117,880	18,120
Rent, utilities & maintenance	52,500	52,500	27,911	24,589
Contingencies & restrictions	(15,000)	---	---	---
Total expenditures	<u>3,753,165</u>	<u>3,801,507</u>	<u>3,483,675</u>	<u>317,832</u>
Excess (deficiency) of revenues over expenditures	<u>(2,153,165)</u>	<u>(2,201,507)</u>	<u>(2,170,887)</u>	<u>30,620</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,153,165)</u>	<u>\$ (2,201,507)</u>	<u>\$ (2,170,887)</u>	<u>\$ 30,620</u>

Shelby County, Tennessee

**General Fund
Juvenile Court
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 221,000	\$ 221,000	\$ 164,502	\$ (56,498)
State revenue	7,321,248	7,321,248	7,119,010	(202,238)
Other revenue	6,000	6,000	3,157	(2,843)
Total revenues	<u>7,548,248</u>	<u>7,548,248</u>	<u>7,286,669</u>	<u>(261,579)</u>
Expenditures:				
Salaries	7,892,389	7,829,389	7,734,775	94,614
Other compensation	---	129,337	114,240	15,097
Fringe benefits	2,015,544	2,026,544	1,964,725	61,819
Supplies	673,820	672,908	608,264	64,644
Services	100,565	73,865	49,912	23,953
Professional & contracted services	8,018,765	7,831,261	7,780,325	50,936
Rent, utilities & maintenance	749,163	774,975	719,335	55,640
Asset acquisitions	7,500	7,500	---	7,500
Total expenditures	<u>19,457,746</u>	<u>19,345,779</u>	<u>18,971,576</u>	<u>374,203</u>
Excess (deficiency) of revenues over expenditures	<u>(11,909,498)</u>	<u>(11,797,531)</u>	<u>(11,684,907)</u>	<u>112,624</u>
Other financing sources (uses):				
Transfers in	1,160,000	1,301,500	1,301,482	(18)
Transfers out	(88,747)	(338,277)	(142,059)	196,218
Total other financing sources (uses)	<u>1,071,253</u>	<u>963,223</u>	<u>1,159,423</u>	<u>196,200</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (10,838,245)</u>	<u>\$ (10,834,308)</u>	<u>\$ (10,525,484)</u>	<u>\$ 308,824</u>

Shelby County, Tennessee

**General Fund
Commissioner's Contingency
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Contingencies & restrictions	\$ 600,000	\$ 180,826	\$ ---	\$ 180,826
Total expenditures	<u>600,000</u>	<u>180,826</u>	<u>---</u>	<u>180,826</u>
Excess (deficiency) of revenues over expenditures	<u>(600,000)</u>	<u>(180,826)</u>	<u>---</u>	<u>180,826</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u><u>\$ (600,000)</u></u>	<u><u>\$ (180,826)</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ 180,826</u></u>

Shelby County, Tennessee

**General Fund
Legislative Operations
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,500	\$ 5,500	\$ 7,258	\$ 1,758
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>7,258</u>	<u>1,758</u>
Expenditures:				
Salaries	746,161	711,661	698,125	13,536
Other compensation	391,300	395,340	325,551	69,789
Fringe benefits	189,260	221,760	221,347	413
Supplies	68,150	109,924	83,009	26,915
Services	77,300	68,327	19,937	48,390
Professional & contracted services	100,000	132,495	131,024	1,471
Rent, utilities & maintenance	15,500	23,272	20,393	2,879
Asset acquisitions	50,600	24,600	---	24,600
Total expenditures	<u>1,638,271</u>	<u>1,687,379</u>	<u>1,499,386</u>	<u>187,993</u>
Excess (deficiency) of revenues over expenditures	<u>(1,632,771)</u>	<u>(1,681,879)</u>	<u>(1,492,128)</u>	<u>189,751</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,632,771)</u>	<u>\$ (1,681,879)</u>	<u>\$ (1,492,128)</u>	<u>\$ 189,751</u>

Shelby County, Tennessee

**General Fund
Equal Opportunity Compliance
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 515,352	\$ 515,852	\$ 515,508	\$ 344
Other compensation	---	5,343	5,343	---
Fringe benefits	112,934	114,434	114,367	67
Supplies	24,400	29,000	28,338	662
Services	70,750	66,150	45,536	20,614
Rent, utilities & maintenance	4,300	4,300	3,499	801
Asset acquisitions	2,000	2,000	---	2,000
Total expenditures	<u>729,736</u>	<u>737,079</u>	<u>712,591</u>	<u>24,488</u>
Excess (deficiency) of revenues over expenditures	<u>(729,736)</u>	<u>(737,079)</u>	<u>(712,591)</u>	<u>24,488</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (729,736)</u>	<u>\$ (737,079)</u>	<u>\$ (712,591)</u>	<u>\$ 24,488</u>

General Fund
Assessor
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 15,000	\$ 15,000	\$ 9,733	\$ (5,267)
State revenue	177,600	328,645	328,645	---
Total revenues	192,600	343,645	338,378	(5,267)
Expenditures:				
Salaries	5,993,302	6,325,201	6,225,934	99,267
Other compensation	60,000	91,538	78,834	12,704
Fringe benefits	1,591,368	1,494,951	1,494,723	228
Supplies	248,350	451,436	352,752	98,684
Services	210,500	144,255	106,312	37,943
Professional & contracted services	821,578	745,685	603,236	142,449
Rent, utilities & maintenance	305,880	291,931	206,016	85,915
Asset acquisitions	220,000	197,595	166,007	31,588
Contingencies & restrictions	(141,560)	---	---	---
Total expenditures	9,309,418	9,742,592	9,233,814	508,778
Excess (deficiency) of revenues over expenditures	(9,116,818)	(9,398,947)	(8,895,436)	503,511
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (9,116,818)	\$ (9,398,947)	\$ (8,895,436)	\$ 503,511

Shelby County, Tennessee

**General Fund
Attorney General
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 55,898	\$ 55,898	\$ 34,442	\$ (21,456)
State revenue	35,041	35,041	18,242	(16,799)
Federal revenue	10,000	10,000	15,868	5,868
Total revenues	<u>100,939</u>	<u>100,939</u>	<u>68,552</u>	<u>(32,387)</u>
Expenditures:				
Salaries	4,525,096	4,193,841	4,177,632	16,209
Other compensation	---	38,845	38,630	215
Fringe benefits	1,054,828	1,018,807	972,051	46,756
Supplies	199,224	203,335	203,330	5
Services	90,000	67,871	67,870	1
Professional & contracted services	36,400	20,751	20,751	---
Rent, utilities & maintenance	142,275	136,223	136,221	2
Contingencies & restrictions	(450,368)	---	---	---
Total expenditures	<u>5,597,455</u>	<u>5,679,673</u>	<u>5,616,485</u>	<u>63,188</u>
Excess (deficiency) of revenues over expenditures	<u>(5,496,516)</u>	<u>(5,578,734)</u>	<u>(5,547,933)</u>	<u>30,801</u>
Other financing sources (uses):				
Transfers out	(44,635)	(60,100)	(60,097)	3
Total other financing sources (uses)	<u>(44,635)</u>	<u>(60,100)</u>	<u>(60,097)</u>	<u>3</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (5,541,151)</u>	<u>\$ (5,638,834)</u>	<u>\$ (5,608,030)</u>	<u>\$ 30,804</u>

**General Fund
County Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 117	\$ 117
Elected official's fines & fees	6,785,239	7,313,351	7,561,500	248,149
Other revenue	152,522	152,522	153,858	1,336
Total revenues	<u>6,937,761</u>	<u>7,465,873</u>	<u>7,715,475</u>	<u>249,602</u>
Expenditures:				
Salaries	2,778,790	2,676,345	2,660,625	15,720
Other compensation	17,772	47,554	47,139	415
Fringe benefits	782,867	760,316	760,216	100
Supplies	306,269	298,564	261,574	36,990
Services	217,798	142,429	104,564	37,865
Professional & contracted services	10,516	10,516	5,948	4,568
Rent, utilities & maintenance	161,994	170,686	165,296	5,390
Asset acquisitions	18,320	9,320	---	9,320
Contingencies & restrictions	(256,602)	---	---	---
Total expenditures	<u>4,037,724</u>	<u>4,115,730</u>	<u>4,005,362</u>	<u>110,368</u>
Excess (deficiency) of revenues over expenditures	<u>2,900,037</u>	<u>3,350,143</u>	<u>3,710,113</u>	<u>359,970</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 2,900,037</u>	<u>\$ 3,350,143</u>	<u>\$ 3,710,113</u>	<u>\$ 359,970</u>

General Fund
Register
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected official's fines & fees	\$ 6,821,026	\$ 6,821,026	\$ 7,261,697	\$ 440,671
Other revenue	45,629	45,629	14,607	(31,022)
Total revenues	<u>6,866,655</u>	<u>6,866,655</u>	<u>7,276,304</u>	<u>409,649</u>
Expenditures:				
Salaries	1,017,845	1,028,497	1,013,486	15,011
Other compensation	31,925	41,177	31,040	10,137
Fringe benefits	261,454	250,802	239,980	10,822
Supplies	47,550	45,760	41,691	4,069
Services	9,400	9,400	7,687	1,713
Professional & contracted services	1,000	6,300	6,300	---
Rent, utilities & maintenance	40,450	42,240	40,717	1,523
Asset acquisitions	13,000	7,700	---	7,700
Total expenditures	<u>1,422,624</u>	<u>1,431,876</u>	<u>1,380,901</u>	<u>50,975</u>
Excess (deficiency) of revenues over expenditures	<u>5,444,031</u>	<u>5,434,779</u>	<u>5,895,403</u>	<u>460,624</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 5,444,031</u>	<u>\$ 5,434,779</u>	<u>\$ 5,895,403</u>	<u>\$ 460,624</u>

General Fund
Trustee
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 70,000	\$ 70,000	\$ 85,521	\$ 15,521
Elected official's fines & fees	17,048,224	17,048,224	17,538,532	490,308
Other revenue	400,000	400,000	83,973	(316,027)
Total revenues	17,518,224	17,518,224	17,708,026	189,802
Expenditures:				
Salaries	3,032,976	3,150,976	3,150,935	41
Other compensation	40,463	56,339	56,287	52
Fringe benefits	671,233	698,733	698,613	120
Supplies	475,665	541,213	541,172	41
Services	283,539	253,539	249,950	3,589
Professional & contracted services	555,736	289,964	289,878	86
Rent, utilities & maintenance	233,994	308,684	306,318	2,366
Asset acquisitions	352,298	204,398	204,398	---
Contingencies & restrictions	(201,672)	---	---	---
Total expenditures	5,444,232	5,503,846	5,497,551	6,295
Excess (deficiency) of revenues over expenditures	12,073,992	12,014,378	12,210,475	196,097
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 12,073,992	\$ 12,014,378	\$ 12,210,475	\$ 196,097

Grants Fund
Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 13,218,873	\$ 13,953,839	\$ 6,657,129	\$ (7,296,710)
State revenue	48,754,192	53,612,799	41,999,648	(11,613,151)
Federal revenue	31,892,768	39,001,262	25,475,414	(13,525,848)
Patient service revenue	1,790,000	1,795,617	1,600,136	(195,481)
Other revenue	534,034	589,772	320,069	(269,703)
Total revenues	<u>96,189,867</u>	<u>108,953,289</u>	<u>76,052,396</u>	<u>(32,900,893)</u>
Expenditures:				
Salaries	29,715,979	35,155,859	29,905,544	5,250,315
Other compensation	383,018	940,849	861,308	79,541
Fringe benefits	7,648,104	9,293,589	7,941,304	1,352,285
Supplies	2,699,793	4,433,692	2,521,435	1,912,257
Services	6,295,536	6,426,121	2,906,280	3,519,841
Professional & contracted services	45,224,908	44,955,662	24,851,783	20,103,879
Rent, utilities & maintenance	3,656,568	5,757,294	5,096,418	660,876
Interdepartmental allocations	(96,609)	(143,303)	(148,276)	4,973
Intergovernmental expenditures	1,000	1,000	810	190
Asset acquisitions	452,697	488,977	289,942	199,035
Contingencies & restrictions	96,138	120,029	---	120,029
Total expenditures	<u>96,077,132</u>	<u>107,429,769</u>	<u>74,226,548</u>	<u>33,203,221</u>
Excess (deficiency) of revenues over expenditures	<u>112,735</u>	<u>1,523,520</u>	<u>1,825,848</u>	<u>302,328</u>
Other financing sources (uses):				
Transfers in	3,717,400	4,993,660	3,791,054	(1,202,606)
Planned change in fund balance	994,400	---	---	---
Transfers out	(4,824,535)	(6,517,180)	(5,520,264)	996,916
Total other financing sources (uses)	<u>(112,735)</u>	<u>(1,523,520)</u>	<u>(1,729,210)</u>	<u>(205,690)</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 96,638</u>	<u>\$ 96,638</u>

Grants Fund

Budgetary Comparison Schedule-Summary By Department
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Finance	\$ 170,811	\$ 110,019	\$ (60,792)
	<u>170,811</u>	<u>110,019</u>	<u>(60,792)</u>
Planning & Development			
Economic Development	2,374,535	455,807	(1,918,728)
Department of Housing	9,568,199	2,423,949	(7,144,250)
Department of Regional Services	3,936,119	1,677,055	(2,259,064)
	<u>15,878,853</u>	<u>4,556,811</u>	<u>(11,322,042)</u>
Public Works			
County Engineer	997,225	937,838	(59,387)
Emergency Services	840,465	667,243	(173,222)
Environmental Improvement Commission	778,408	604,345	(174,063)
Chickasaw Basin Authority	99,220	69,521	(29,699)
Roads & Bridges	384,669	336,165	(48,504)
	<u>3,099,987</u>	<u>2,615,112</u>	<u>(484,875)</u>
Corrections			
Corrections Administration	1,055,647	730,360	(325,287)
	<u>1,055,647</u>	<u>730,360</u>	<u>(325,287)</u>
Health Services			
Administration & Finance - Health Services	917,800	917,800	---
Environmental Health Services	1,599,958	1,193,423	(406,535)
Personal Health Services	22,700,187	17,938,517	(4,761,670)
Assessment & Assurance	726,736	590,946	(135,790)
	<u>25,944,681</u>	<u>20,640,686</u>	<u>(5,303,995)</u>
Community Services			
Community Services Administration	9,587,077	8,634,231	(952,846)
Headstart	28,509,435	20,485,775	(8,023,660)
Special Funded Projects	767,081	568,491	(198,590)
Crime Victims Center	372,997	263,619	(109,378)
Pretrial Services	374,914	288,092	(86,822)
Delta Agency on Aging	10,284,831	5,609,394	(4,675,437)
	<u>49,896,335</u>	<u>35,849,602</u>	<u>(14,046,733)</u>
Law Enforcement			
Sheriff - Administration	555,059	429,097	(125,962)
	<u>555,059</u>	<u>429,097</u>	<u>(125,962)</u>
Judicial			
General Sessions Criminal Court Judges	552,414	358,827	(193,587)
Juvenile Court	10,593,577	9,688,109	(905,468)
	<u>11,145,991</u>	<u>10,046,936</u>	<u>(1,099,055)</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Attorney General	\$ 1,205,925	\$ 1,073,773	\$ (132,152)
	<u>1,205,925</u>	<u>1,073,773</u>	<u>(132,152)</u>
 Total revenues	 <u>108,953,289</u>	 <u>76,052,396</u>	 <u>(32,900,893)</u>
Expenditures:			
General Government			
Finance	170,811	110,019	60,792
	<u>170,811</u>	<u>110,019</u>	<u>60,792</u>
 Planning & Development			
Economic Development	2,305,917	394,180	1,911,737
Department of Housing	9,576,938	2,257,607	7,319,331
Department of Regional Services	3,900,816	1,644,861	2,255,955
	<u>15,783,671</u>	<u>4,296,648</u>	<u>11,487,023</u>
 Public Works			
County Engineer	997,225	937,838	59,387
Emergency Services	840,465	667,243	173,222
Environmental Improvement Commission	843,320	669,205	174,115
Chickasaw Basin Authority	64,050	34,351	29,699
Roads & Bridges	377,640	329,136	48,504
	<u>3,122,700</u>	<u>2,637,773</u>	<u>484,927</u>
 Corrections			
Corrections Administration	1,099,142	790,715	308,427
	<u>1,099,142</u>	<u>790,715</u>	<u>308,427</u>
 Health Services			
Environmental Health Services	2,468,477	2,003,094	465,383
Personal Health Services	21,753,890	17,289,994	4,463,896
Assessment & Assurance	776,378	643,391	132,987
	<u>24,998,745</u>	<u>19,936,479</u>	<u>5,062,266</u>
 Community Services			
Community Services Administration	9,597,077	8,634,231	962,846
Headstart	28,509,435	20,485,775	8,023,660
Special Funded Projects	791,059	573,811	217,248
Crime Victims Center	437,794	323,959	113,835
Pretrial Services	403,010	308,605	94,405
Delta Agency on Aging	10,428,737	5,609,394	4,819,343
	<u>50,167,112</u>	<u>35,935,775</u>	<u>14,231,337</u>
 Law Enforcement			
Sheriff - Administration	614,665	475,424	139,241
	<u>614,665</u>	<u>475,424</u>	<u>139,241</u>

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Criminal Court Judges	\$ 592,009	\$ 381,159	\$ 210,850
Juvenile Court	9,630,354	8,528,686	1,101,668
	<u>10,222,363</u>	<u>8,909,845</u>	<u>1,312,518</u>
Other Elected Officials			
Attorney General	1,250,560	1,133,870	116,690
	<u>1,250,560</u>	<u>1,133,870</u>	<u>116,690</u>
Total expenditures	<u>107,429,769</u>	<u>74,226,548</u>	<u>33,203,221</u>
Excess (deficiency) of revenues over expenditures	<u>1,523,520</u>	<u>1,825,848</u>	<u>302,328</u>
Other Financing Sources (Uses):			
Transfers in			
Economic Development	45,300	45,298	(2)
Department of Housing	440,849	120,311	(320,538)
Department of Regional Services	243,726	153,096	(90,630)
Environmental Improvement Commission	224,068	156,580	(67,488)
Corrections Administration	129,079	145,372	16,293
Environmental Health Services	1,207,842	1,109,398	(98,444)
Personal Health Services	1,411,950	1,384,104	(27,846)
Assessment & Assurance	56,342	56,342	---
Community Services Administration	15,160	1,907	(13,253)
Special Funded Projects	34,058	15,320	(18,738)
Crime Victims Center	64,797	60,340	(4,457)
Pretrial Services	28,096	20,513	(7,583)
Delta Agency on Aging	610,280	251,658	(358,622)
Sheriff - Administration	59,606	46,327	(13,279)
General Sessions Criminal Court Judges	39,595	22,332	(17,263)
Juvenile Court	338,277	142,059	(196,218)
Attorney General	44,635	60,097	15,462
Total transfers in	<u>4,993,660</u>	<u>3,791,054</u>	<u>(1,202,606)</u>
Transfers out			
Economic Development	(113,918)	(106,925)	6,993
Department of Housing	(432,110)	(190,015)	242,095
Department of Regional Services	(279,029)	(185,290)	93,739
Environmental Improvement Commission	(159,156)	(91,720)	67,436
Chickasaw Basin Authority	(35,170)	(35,170)	---
Roads & Bridges	(7,029)	(7,029)	---
Corrections Administration	(85,584)	(85,017)	567
Administration & Finance - Health Services	(917,800)	(917,800)	---
Environmental Health Services	(339,323)	(299,727)	39,596

(continued)

Grants Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2004

	Final Budget	Actual Amounts	Variance
Transfers out (continued)			
Personal Health Services	\$ (2,358,247)	\$ (2,032,627)	\$ 325,620
Assessment & Assurance	(6,700)	(3,897)	2,803
Community Services Administration	(5,160)	(1,907)	3,253
Special Funded Projects	(10,080)	(10,000)	80
Delta Agency on Aging	(466,374)	(251,658)	214,716
Juvenile Court	(1,301,500)	(1,301,482)	18
Total transfers out	<u>(6,517,180)</u>	<u>(5,520,264)</u>	<u>996,916</u>
 Total other financing sources (uses)	 <u>(1,523,520)</u>	 <u>(1,729,210)</u>	 <u>(205,690)</u>
 Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	 <u><u>\$ ---</u></u>	 <u><u>\$ 96,638</u></u>	 <u><u>\$ 96,638</u></u>

**Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 9,369	\$ 19,314	\$ ---	\$ (19,314)
State revenue	84,324	151,497	110,019	(41,478)
Total revenues	93,693	170,811	110,019	(60,792)
Expenditures:				
Professional & contracted services	93,693	170,811	110,019	60,792
Total expenditures	93,693	170,811	110,019	60,792
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Economic Development
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 2,363,889	\$ 2,374,535	\$ 455,807	\$ (1,918,728)
Total revenues	2,363,889	2,374,535	455,807	(1,918,728)
Expenditures:				
Salaries	240,948	237,948	218,907	19,041
Other compensation	---	3,000	1,820	1,180
Fringe benefits	45,798	45,798	45,662	136
Supplies	16,900	16,900	8,726	8,174
Services	14,000	14,000	3,434	10,566
Professional & contracted services	1,961,625	1,970,905	106,927	1,863,978
Rent, utilities & maintenance	16,000	17,366	8,704	8,662
Total expenditures	2,295,271	2,305,917	394,180	1,911,737
Excess (deficiency) of revenues over expenditures	68,618	68,618	61,627	(6,991)
Other Financing Sources (uses):				
Transfers in	---	45,300	45,298	(2)
Transfers out	(68,618)	(113,918)	(106,925)	6,993
Total other financing sources (uses)	(68,618)	(68,618)	(61,627)	6,991
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Department of Housing
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 500,865	\$ 619,865	\$ 276,846	\$ (343,019)
State revenue	2,604,600	2,604,600	4,130	(2,600,470)
Federal revenue	5,788,553	6,343,734	2,103,430	(4,240,304)
Other revenue	994,400	---	39,543	39,543
Total revenues	9,888,418	9,568,199	2,423,949	(7,144,250)
Expenditures:				
Salaries	358,783	399,832	391,833	7,999
Fringe benefits	93,876	107,484	103,784	3,700
Supplies	17,900	28,454	5,889	22,565
Services	3,665,879	2,811,476	52,530	2,758,946
Professional & contracted services	5,836,552	6,223,972	1,699,571	4,524,401
Rent, utilities & maintenance	4,000	5,720	4,000	1,720
Total expenditures	9,976,990	9,576,938	2,257,607	7,319,331
Excess (deficiency) of revenues over expenditures	(88,572)	(8,739)	166,342	175,081
Other Financing Sources (uses):				
Transfers in	149,548	440,849	120,311	(320,538)
Transfers out	(60,976)	(432,110)	(190,015)	242,095
Total other financing sources (uses)	88,572	8,739	(69,704)	(78,443)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ 96,638	\$ 96,638

**Grants Fund
Department of Regional Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 262,726	\$ 262,726	\$ 113,062	\$ (149,664)
State revenue	4,024,641	3,673,393	1,563,993	(2,109,400)
Total revenues	4,287,367	3,936,119	1,677,055	(2,259,064)
Expenditures:				
Salaries	1,019,998	993,998	788,015	205,983
Other compensation	---	12,000	10,406	1,594
Fringe benefits	229,895	229,895	187,200	42,695
Supplies	95,361	120,223	91,286	28,937
Services	137,400	125,892	57,310	68,582
Professional & contracted services	2,687,048	2,350,446	487,472	1,862,974
Rent, utilities & maintenance	34,000	27,000	7,565	19,435
Asset acquisitions	25,000	18,000	15,607	2,393
Contingencies & restrictions	23,362	23,362	---	23,362
Total expenditures	4,252,064	3,900,816	1,644,861	2,255,955
Excess (deficiency) of revenues over expenditures	35,303	35,303	32,194	(3,109)
Other Financing Sources (uses):				
Transfers in	243,726	243,726	153,096	(90,630)
Transfers out	(279,029)	(279,029)	(185,290)	93,739
Total other financing sources (uses)	(35,303)	(35,303)	(32,194)	3,109
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
County Engineer
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ ---	\$ 156,322	\$ 87,574	\$ (68,748)
State revenue	---	840,903	850,264	9,361
Total revenues	---	997,225	937,838	(59,387)
Expenditures:				
Professional & contracted services	---	997,225	937,838	59,387
Total expenditures	---	997,225	937,838	59,387
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Emergency Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
State revenue	\$ ---	\$ 840,465	\$ 667,243	\$ (173,222)
Total revenues	---	840,465	667,243	(173,222)
Expenditures:				
Salaries	---	2,200	2,130	70
Fringe benefits	---	800	664	136
Supplies	---	114,642	111,824	2,818
Services	---	11,255	---	11,255
Professional & contracted services	---	672,783	522,278	150,505
Asset acquisitions	---	38,785	30,347	8,438
Total expenditures	---	840,465	667,243	173,222
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Enviromental Improvement Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 96,448	\$ 96,448	\$ 43,537	\$ (52,911)
State revenue	694,362	681,960	560,808	(121,152)
Total revenues	790,810	778,408	604,345	(174,063)
Expenditures:				
Salaries	154,177	149,177	82,964	66,213
Other compensation	---	2,000	749	1,251
Fringe benefits	26,126	26,126	25,744	382
Supplies	20,000	20,000	186	19,814
Services	2,500	2,500	45	2,455
Professional & contracted services	468,919	641,517	559,517	82,000
Rent, utilities & maintenance	2,000	2,000	---	2,000
Asset acquisitions	180,200	---	---	---
Total expenditures	853,922	843,320	669,205	174,115
Excess (deficiency) of revenues over expenditures	(63,112)	(64,912)	(64,860)	52
Other Financing Sources (uses):				
Transfers in	222,268	224,068	156,580	(67,488)
Transfers out	(159,156)	(159,156)	(91,720)	67,436
Total other financing sources (uses)	63,112	64,912	64,860	(52)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Chickasaw Basin Authority
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Other revenue	\$ 98,634	\$ 99,220	\$ 69,521	\$ (29,699)
Total revenues	98,634	99,220	69,521	(29,699)
Expenditures:				
Supplies	6,810	7,395	6,212	1,183
Services	19,240	19,241	7,563	11,678
Professional & contracted services	27,414	27,414	20,576	6,838
Rent, utilities & maintenance	10,000	10,000	---	10,000
Total expenditures	63,464	64,050	34,351	29,699
Excess (deficiency) of revenues over expenditures	35,170	35,170	35,170	---
Other Financing Sources (uses):				
Transfers out	(35,170)	(35,170)	(35,170)	---
Total other financing sources (uses)	(35,170)	(35,170)	(35,170)	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Roads & Bridges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
State revenue	\$ 327,142	\$ 384,669	\$ 336,165	\$ (48,504)
Total revenues	<u>327,142</u>	<u>384,669</u>	<u>336,165</u>	<u>(48,504)</u>
Expenditures:				
Salaries	221,532	192,139	179,971	12,168
Other compensation	---	6,000	4,720	1,280
Fringe benefits	62,538	54,327	51,829	2,498
Supplies	19,033	52,315	41,463	10,852
Services	1,900	9,699	6,477	3,222
Professional & contracted services	6,139	34,030	21,642	12,388
Rent, utilities & maintenance	16,000	29,130	23,034	6,096
Total expenditures	<u>327,142</u>	<u>377,640</u>	<u>329,136</u>	<u>48,504</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>7,029</u>	<u>7,029</u>	<u>---</u>
Other Financing Sources (uses):				
Transfers out	<u>---</u>	<u>(7,029)</u>	<u>(7,029)</u>	<u>---</u>
Total other financing sources (uses)	<u>---</u>	<u>(7,029)</u>	<u>(7,029)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Corrections Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ ---	\$ ---	\$ (24,718)	\$ (24,718)
State revenue	350,532	621,376	356,247	(265,129)
Federal revenue	173,561	434,271	398,831	(35,440)
Total revenues	524,093	1,055,647	730,360	(325,287)
Expenditures:				
Salaries	254,371	272,228	271,913	315
Other compensation	---	2,825	2,692	133
Fringe benefits	77,152	74,219	72,067	2,152
Supplies	21,871	55,645	43,717	11,928
Services	3,000	25,918	7,915	18,003
Professional & contracted services	266,110	661,857	392,050	269,807
Rent, utilities & maintenance	---	6,450	361	6,089
Total expenditures	622,504	1,099,142	790,715	308,427
Excess (deficiency) of revenues over expenditures	(98,411)	(43,495)	(60,355)	(16,860)
Other Financing Sources (uses):				
Transfers in	335,876	129,079	145,372	16,293
Transfers out	(237,465)	(85,584)	(85,017)	567
Total other financing sources (uses)	98,411	43,495	60,355	16,860
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Administration & Finance - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
State revenue	\$ 917,847	\$ 917,800	\$ 917,800	\$ ---
Total revenues	917,847	917,800	917,800	---
Excess (deficiency) of revenues over expenditures	917,847	917,800	917,800	---
Other Financing Sources (uses):				
Transfers out	(917,847)	(917,800)	(917,800)	---
Total other financing sources (uses)	(917,847)	(917,800)	(917,800)	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Environmental Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
State revenue	\$ 1,021,586	\$ 885,742	\$ 587,879	\$ (297,863)
Federal revenue	669,844	714,216	605,544	(108,672)
Total revenues	1,691,430	1,599,958	1,193,423	(406,535)
Expenditures:				
Salaries	1,510,804	1,369,844	1,221,978	147,866
Other compensation	---	14,644	12,824	1,820
Fringe benefits	319,567	304,764	277,675	27,089
Supplies	313,720	209,578	94,537	115,041
Services	102,000	83,019	43,512	39,507
Professional & contracted services	122,495	183,280	118,346	64,934
Rent, utilities & maintenance	157,835	129,681	173,981	(44,300)
Asset acquisitions	166,000	173,667	60,241	113,426
Total expenditures	2,692,421	2,468,477	2,003,094	465,383
Excess (deficiency) of revenues over expenditures	(1,000,991)	(868,519)	(809,671)	58,848
Other Financing Sources (uses):				
Transfers in	1,359,338	1,207,842	1,109,398	(98,444)
Transfers out	(358,347)	(339,323)	(299,727)	39,596
Total other financing sources (uses)	1,000,991	868,519	809,671	(58,848)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Personal Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 7,755,391	\$ 7,823,186	\$ 5,009,929	\$ (2,813,257)
State revenue	11,799,851	11,848,804	10,577,385	(1,271,419)
Federal revenue	965,201	817,580	565,413	(252,167)
Patient service revenue	1,790,000	1,795,617	1,600,136	(195,481)
Other revenue	415,000	415,000	185,654	(229,346)
Total revenues	<u>22,725,443</u>	<u>22,700,187</u>	<u>17,938,517</u>	<u>(4,761,670)</u>
Expenditures:				
Salaries	14,875,342	14,224,694	11,747,575	2,477,119
Other compensation	163,018	414,748	411,935	2,813
Fringe benefits	3,992,222	3,840,337	3,105,989	734,348
Supplies	1,562,019	1,618,977	833,822	785,155
Services	418,547	421,277	251,930	169,347
Professional & contracted services	464,055	538,905	412,086	126,819
Rent, utilities & maintenance	538,892	611,375	490,888	120,487
Interdepartmental allocations	---	---	(15,961)	15,961
Asset acquisitions	35,585	83,577	51,730	31,847
Total expenditures	<u>22,049,680</u>	<u>21,753,890</u>	<u>17,289,994</u>	<u>4,463,896</u>
Excess (deficiency) of revenues over expenditures	<u>675,763</u>	<u>946,297</u>	<u>648,523</u>	<u>(297,774)</u>
Other Financing Sources (uses):				
Transfers in	546,544	1,411,950	1,384,104	(27,846)
Transfers out	<u>(1,222,307)</u>	<u>(2,358,247)</u>	<u>(2,032,627)</u>	<u>325,620</u>
Total other financing sources (uses)	<u>(675,763)</u>	<u>(946,297)</u>	<u>(648,523)</u>	<u>297,774</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Assessment & Assurance
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ ---	\$ 53,538	\$ 53,538	\$ ---
State revenue	348,300	446,311	405,821	(40,490)
Federal revenue	16,876	226,887	131,587	(95,300)
Total revenues	365,176	726,736	590,946	(135,790)
Expenditures:				
Salaries	191,448	229,667	176,376	53,291
Other compensation	---	3,000	1,622	1,378
Fringe benefits	42,651	51,575	35,731	15,844
Supplies	7,638	15,766	3,511	12,255
Services	4,001	23,142	8,721	14,421
Professional & contracted services	58,375	376,476	366,734	9,742
Rent, utilities & maintenance	58,182	61,805	50,696	11,109
Contingencies & restrictions	---	14,947	---	14,947
Total expenditures	362,295	776,378	643,391	132,987
Excess (deficiency) of revenues over expenditures	2,881	(49,642)	(52,445)	(2,803)
Other Financing Sources (uses):				
Transfers in	---	56,342	56,342	---
Transfers out	(2,881)	(6,700)	(3,897)	2,803
Total other financing sources (uses)	(2,881)	49,642	52,445	2,803
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Community Services Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 260,120	\$ 173,535	\$ 32,642	\$ (140,893)
State revenue	7,692,436	9,413,542	8,601,589	(811,953)
Total revenues	7,952,556	9,587,077	8,634,231	(952,846)
Expenditures:				
Salaries	2,026,368	1,942,903	1,710,295	232,608
Other compensation	---	35,190	20,794	14,396
Fringe benefits	520,055	467,028	466,202	826
Supplies	118,232	154,413	102,295	52,118
Services	1,616,365	2,123,049	2,076,795	46,254
Professional & contracted services	1,566,358	1,946,629	1,420,517	526,112
Rent, utilities & maintenance	2,190,875	3,054,167	2,964,348	89,819
Interdepartmental allocations	(96,609)	(143,303)	(132,315)	(10,988)
Asset acquisitions	10,912	17,001	5,300	11,701
Total expenditures	7,952,556	9,597,077	8,634,231	962,846
Excess (deficiency) of revenues over expenditures	---	(10,000)	---	10,000
Other Financing Sources (uses):				
Transfers in	6,365	15,160	1,907	(13,253)
Transfers out	(6,365)	(5,160)	(1,907)	3,253
Total other financing sources (uses)	---	10,000	---	(10,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 280	\$ 280
State revenue	---	625,240	626,446	1,206
Federal revenue	23,086,242	27,884,195	19,859,049	(8,025,146)
Total revenues	23,086,242	28,509,435	20,485,775	(8,023,660)
Expenditures:				
Salaries	549,229	6,235,647	5,361,530	874,117
Other compensation	---	24,552	13,130	11,422
Fringe benefits	100,737	1,822,003	1,576,458	245,545
Supplies	43,931	1,383,417	799,501	583,916
Services	93,500	444,397	287,029	157,368
Professional & contracted services	22,222,645	17,360,855	11,551,929	5,808,926
Rent, utilities & maintenance	76,200	1,122,564	780,198	342,366
Asset acquisitions	---	116,000	116,000	---
Total expenditures	23,086,242	28,509,435	20,485,775	8,023,660
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Special Funded Projects
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ ---	\$ 60,000	\$ 59,855	\$ (145)
State revenue	85,000	104,230	85,000	(19,230)
Federal revenue	387,885	585,648	409,345	(176,303)
Other revenue	---	17,203	14,291	(2,912)
Total revenues	<u>472,885</u>	<u>767,081</u>	<u>568,491</u>	<u>(198,590)</u>
Expenditures:				
Supplies	867	867	---	867
Services	4,467	3,357	---	3,357
Professional & contracted services	484,751	786,835	573,811	213,024
Total expenditures	<u>490,085</u>	<u>791,059</u>	<u>573,811</u>	<u>217,248</u>
Excess (deficiency) of revenues over expenditures	<u>(17,200)</u>	<u>(23,978)</u>	<u>(5,320)</u>	<u>18,658</u>
Other Financing Sources (uses):				
Transfers in	17,200	34,058	15,320	(18,738)
Transfers out	---	(10,080)	(10,000)	80
Total other financing sources (uses)	<u>17,200</u>	<u>23,978</u>	<u>5,320</u>	<u>(18,658)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Crime Victims Center
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
State revenue	\$ 195,988	\$ 195,988	\$ 185,493	\$ (10,495)
Federal revenue	43,800	168,145	78,126	(90,019)
Other revenue	---	8,864	---	(8,864)
Total revenues	<u>239,788</u>	<u>372,997</u>	<u>263,619</u>	<u>(109,378)</u>
Expenditures:				
Salaries	231,396	273,483	238,904	34,579
Other compensation	---	8,737	1,961	6,776
Fringe benefits	61,312	79,778	61,287	18,491
Supplies	---	7,590	5,894	1,696
Services	---	7,944	3,625	4,319
Professional & contracted services	1,377	34,914	12,288	22,626
Contingencies & restrictions	3,938	25,348	---	25,348
Total expenditures	<u>298,023</u>	<u>437,794</u>	<u>323,959</u>	<u>113,835</u>
Excess (deficiency) of revenues over expenditures	<u>(58,235)</u>	<u>(64,797)</u>	<u>(60,340)</u>	<u>4,457</u>
Other Financing Sources (uses):				
Transfers in	<u>58,235</u>	<u>64,797</u>	<u>60,340</u>	<u>(4,457)</u>
Total other financing sources (uses)	<u>58,235</u>	<u>64,797</u>	<u>60,340</u>	<u>(4,457)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Pretrial Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 26,538	\$ 26,538
Federal revenue	213,901	374,914	261,554	(113,360)
Total revenues	213,901	374,914	288,092	(86,822)
Expenditures:				
Salaries	154,397	302,130	237,767	64,363
Other compensation	---	8,000	1,995	6,005
Fringe benefits	48,338	60,664	64,700	(4,036)
Supplies	15,952	20,524	1,870	18,654
Services	3,000	3,000	1,748	1,252
Professional & contracted services	3,504	8,692	525	8,167
Total expenditures	225,191	403,010	308,605	94,405
Excess (deficiency) of revenues over expenditures	(11,290)	(28,096)	(20,513)	7,583
Other Financing Sources (uses):				
Transfers in	11,290	28,096	20,513	(7,583)
Total other financing sources (uses)	11,290	28,096	20,513	(7,583)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Delta Agency on Aging
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 1,801,476	\$ 1,968,553	\$ 215,577	\$ (1,752,976)
State revenue	8,446,808	8,316,278	5,393,817	(2,922,461)
Total revenues	10,248,284	10,284,831	5,609,394	(4,675,437)
Expenditures:				
Salaries	1,782,717	1,770,717	916,489	854,228
Other compensation	---	12,000	10,969	1,031
Fringe benefits	457,391	457,391	235,688	221,703
Supplies	176,277	212,221	108,425	103,796
Services	176,987	229,398	56,529	172,869
Professional & contracted services	7,578,144	7,526,508	4,108,901	3,417,607
Rent, utilities & maintenance	184,674	215,502	171,583	43,919
Intergovernmental expenditures	1,000	1,000	810	190
Asset acquisitions	35,000	4,000	---	4,000
Total expenditures	10,392,190	10,428,737	5,609,394	4,819,343
Excess (deficiency) of revenues over expenditures	(143,906)	(143,906)	---	143,906
Other Financing Sources (uses):				
Transfers in	610,280	610,280	251,658	(358,622)
Transfers out	(466,374)	(466,374)	(251,658)	214,716
Total other financing sources (uses)	143,906	143,906	---	(143,906)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Sheriff - Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 5,922	\$ 5,922	\$ ---	\$ (5,922)
State revenue	37,613	37,613	35,656	(1,957)
Federal revenue	246,612	511,524	393,441	(118,083)
Total revenues	290,147	555,059	429,097	(125,962)
Expenditures:				
Salaries	---	143,539	135,182	8,357
Other compensation	220,000	253,094	236,687	16,407
Fringe benefits	---	35,155	32,889	2,266
Supplies	---	29,088	14,950	14,138
Services	---	21,875	8,175	13,700
Professional & contracted services	50,151	50,151	47,541	2,610
Asset acquisitions	---	27,229	---	27,229
Contingencies & restrictions	54,534	54,534	---	54,534
Total expenditures	324,685	614,665	475,424	139,241
Excess (deficiency) of revenues over expenditures	(34,538)	(59,606)	(46,327)	13,279
Other Financing Sources (uses):				
Transfers in	34,538	59,606	46,327	(13,279)
Total other financing sources (uses)	34,538	59,606	46,327	(13,279)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
General Sessions Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Local revenue	\$ 36,000	\$ 196,057	\$ 157,839	\$ (38,218)
Federal revenue	129,053	356,357	200,988	(155,369)
Total revenues	165,053	552,414	358,827	(193,587)
Expenditures:				
Salaries	42,348	42,348	14,116	28,232
Fringe benefits	12,576	12,576	4,723	7,853
Professional & contracted services	124,469	537,085	362,320	174,765
Total expenditures	179,393	592,009	381,159	210,850
Excess (deficiency) of revenues over expenditures	(14,340)	(39,595)	(22,332)	17,263
Other Financing Sources (uses):				
Transfers in	14,340	39,595	22,332	(17,263)
Total other financing sources (uses)	14,340	39,595	22,332	(17,263)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund
Juvenile Court
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
State revenue	\$ 9,705,562	\$ 10,499,138	\$ 9,616,882	\$ (882,256)
Federal revenue	---	74,039	60,167	(13,872)
Other revenue	20,400	20,400	11,060	(9,340)
Total revenues	<u>9,725,962</u>	<u>10,593,577</u>	<u>9,688,109</u>	<u>(905,468)</u>
Expenditures:				
Salaries	5,760,046	5,742,726	5,585,585	157,141
Other compensation	---	110,000	101,341	8,659
Fringe benefits	1,455,688	1,470,299	1,458,309	11,990
Supplies	219,012	321,743	203,425	118,318
Services	23,650	28,819	20,582	8,237
Professional & contracted services	989,884	1,524,550	764,353	760,197
Rent, utilities & maintenance	318,433	421,499	384,373	37,126
Asset acquisitions	---	10,718	10,718	---
Contingencies & restrictions	12,466	---	---	---
Total expenditures	<u>8,779,179</u>	<u>9,630,354</u>	<u>8,528,686</u>	<u>1,101,668</u>
Excess (deficiency) of revenues over expenditures	<u>946,783</u>	<u>963,223</u>	<u>1,159,423</u>	<u>196,200</u>
Other Financing Sources (uses):				
Transfers in	63,217	338,277	142,059	(196,218)
Transfers out	(1,010,000)	(1,301,500)	(1,301,482)	18
Total other financing sources (uses)	<u>(946,783)</u>	<u>(963,223)</u>	<u>(1,159,423)</u>	<u>(196,200)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Attorney General
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 126,667	\$ 143,838	\$ 148,823	\$ 4,985
State revenue	417,600	523,250	517,011	(6,239)
Federal revenue	171,240	509,752	407,939	(101,813)
Other revenue	---	29,085	---	(29,085)
Total revenues	<u>715,507</u>	<u>1,205,925</u>	<u>1,073,773</u>	<u>(132,152)</u>
Expenditures:				
Salaries	342,075	630,639	624,014	6,625
Other compensation	---	31,059	27,663	3,396
Fringe benefits	102,182	153,370	134,703	18,667
Supplies	44,270	43,934	43,900	34
Services	9,100	16,863	12,360	4,503
Professional & contracted services	211,200	329,822	254,543	75,279
Rent, utilities & maintenance	49,477	43,035	36,687	6,348
Contingencies & restrictions	1,838	1,838	---	1,838
Total expenditures	<u>760,142</u>	<u>1,250,560</u>	<u>1,133,870</u>	<u>116,690</u>
Excess (deficiency) of revenues over expenditures	<u>(44,635)</u>	<u>(44,635)</u>	<u>(60,097)</u>	<u>(15,462)</u>
Other Financing Sources (uses):				
Transfers in	<u>44,635</u>	<u>44,635</u>	<u>60,097</u>	<u>15,462</u>
Total other financing sources (uses)	<u>44,635</u>	<u>44,635</u>	<u>60,097</u>	<u>15,462</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

General Government Revenues-By Source (a)

Last Ten Fiscal Years

Fiscal Year	Local Taxes	Local Revenue (b)	State Revenue (b)	Federal Revenue	Patient Service Revenue	Elected Officials' Fees and Fines	Other Revenue	Total
1995	\$ 317,541,119	\$ 18,181,323	\$ 82,953,882	\$ 12,382,702	\$ 6,017,412	\$ 57,832,266	\$ 12,665,893	\$ 507,574,597
1996	310,487,333	22,867,991	86,771,698	13,823,538	5,512,186	55,024,996	14,463,589	508,951,331
1997	333,724,157	26,316,425	82,509,507	14,262,810	4,303,568	45,348,704	14,143,087	520,608,258
1998	349,910,099	26,177,144	85,388,351	16,191,632	3,758,762	47,138,374	21,145,820	549,710,182
1999	385,058,126	46,212,749	100,314,969	19,228,728	2,919,111	45,446,063	10,486,579	609,666,325
2000	472,996,777	46,447,747	99,290,642	20,425,229	467,043	45,931,497	8,155,409	693,714,344
2001	489,927,614	49,027,219	101,276,356	25,877,749	764,939	47,641,570	11,241,860	725,757,307
2002	604,609,455	37,101,233	70,259,167	27,185,094	1,058,773	54,284,328	16,971,962	811,470,012
2003	620,977,188	38,190,862	72,583,287	26,894,944	1,425,748	54,335,743	882,004	815,289,776
2004	664,790,308	41,431,765	76,601,027	25,492,483	2,300,228	56,302,503	2,979,646	869,897,960

(a) Includes General, Special Revenue, and Debt Service Funds of Primary Government.

(b) In 2002, the Fire Department and the Corrections Division were reclassified as Enterprise Funds.

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Levy	Current Tax Collections	Percent of Levy Collected	Tax Collections in Subsequent Fiscal Years	Total Tax Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1994	1993	\$ 258,569,027	\$ 257,014,095	99.40%	\$ 1,385,731	\$ 258,399,826	99.93%	\$ 169,201	0.07%
1995	1994	265,180,596	261,574,005	98.64%	3,398,672	264,972,677	99.92%	207,919	0.08%
1996	1995	271,698,430	264,078,750	97.20%	7,311,501	271,390,251	99.89%	308,180	0.11%
1997	1996	280,856,472	272,826,625	97.14%	7,613,633	280,440,258	99.85%	416,214	0.15%
1998	1997	296,031,888	287,884,320	97.25%	7,379,967	295,264,287	99.74%	767,601	0.26%
1999	1998	336,099,814	329,543,247	98.05%	5,108,374	334,651,621	99.57%	1,448,194	0.43%
2000	1999	437,097,382	412,703,834	94.42%	20,241,334	432,945,168	99.05%	4,152,214	0.95%
2001	2000	448,765,504	427,388,176	95.24%	15,088,033	442,476,209	98.60%	6,289,295	1.40%
2002	2001	552,515,261	523,851,896	94.81%	14,409,361	538,261,257	97.42%	14,254,005	2.58%
2003	2002	561,971,390	526,168,220	93.63%	N/A	526,168,220	93.63%	35,803,169	6.37%

Construction Permits

Last Ten Fiscal Years

Fiscal Year	Residential (a)		Non-Residential (a)		Total	
	Number Issued	Valuation	Number Issued	Valuation	Number Issued	Valuation
1995	3,157	\$ 391,964,000	217	\$ 116,584,000	3,374	\$ 508,458,000
1996	3,739	504,368,000	243	221,448,000	3,982	725,816,000
1997	2,818	481,106,000	294	148,666,000	3,112	629,772,000
1998	3,249	498,104,000	310	295,349,000	3,559	793,453,000
1999	3,340	547,688,000	316	300,075,000	3,656	847,763,000
2000	3,536	699,617,000	282	312,661,000	3,818	1,012,278,000
2001	2,952	562,424,000	298	398,745,000	3,250	961,169,000
2002	2,933	495,182,000	224	164,008,000	3,157	659,190,000
2003	5,869	617,962,241	3,320	488,286,488	9,189	1,106,248,729
2004	8,814	937,235,962	4,103	550,535,705	12,917	1,487,771,667

- (a) Prior to 2003, residential data excluded hotels, motels, additions, alterations, and conversions. In addition, non-residential data included only commercial non-residential buildings and excluded hazardous storage facilities, churches, garages, carports, educational facilities, swimming pools, and other structures not buildings. Comparable data for years prior to 2003 is not available, nor is data for 2003 and later available on the former basis.

Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Estimated Value	Assessed Value (a)	Ratio of Assessed Value to Estimated Value (%)
1995	\$ 30,097,061,877	\$ 9,210,870,498	30.60
1996	31,004,448,171	9,221,084,680	29.74
1997	32,453,638,136	9,500,973,159	29.28
1998	40,946,345,385	12,449,671,662	30.40
1999	41,975,150,505	12,778,458,443	30.44
2000	42,391,918,209	12,811,769,490	30.22
2001	50,160,658,560	14,964,374,530	29.83
2002	50,944,337,077	15,233,633,424	29.90
2003	51,170,258,665	15,190,065,325	29.69
2004	51,388,472,610	15,156,208,029	29.49

- (a) Assessed value is most current tax year value prepared by County Property Assessor as of year end. The State of Tennessee tax statues classify property as follows for computing assessed valuations:

Real Estate-Residential and Farms	25% of actual value
Real Estate- Commercial and Industrial	40% of actual value
Personal Property-Commercial and Industrial	30% of actual value
Tennessee Public Service Real and Personal Property	55% of actual value

Property Tax Rates-Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year (a)	Shelby County, Tennessee				City of Memphis, Tennessee (d)	Total
	General Fund	Education (b)	Debt Service Fund	Total (c)		
1995	\$ 1.40	\$ 1.42	\$ 0.34	\$ 3.16	\$ 3.18	\$ 6.34
1996	1.31	1.51	0.34	3.16	3.18	6.34
1997	1.31	1.51	0.34	3.16	3.18	6.34
1998	1.31	1.51	0.34	3.16	3.18	6.34
1999	1.17	1.35	0.30	2.82	2.77	5.59
2000	1.38	1.65	0.51	3.54	2.77	6.31
2001	1.31	1.69	0.54	3.54	3.37	6.91
2002	1.25	2.03	0.51	3.79	3.23	7.02
2003	1.25	2.03	0.51	3.79	3.23	7.02
2004	1.43	2.03	0.58	4.04	3.23	7.27

- (a) Taxes assessed in one fiscal year are for the benefit of the following fiscal year.
- (b) The portion of property taxes designated for education are allocated between the Shelby County Board of Education and the City of Memphis Board of Education based on average daily attendance. Beginning in 2003, an additional \$0.05 funds only Rural School Bonds and is applied only to taxpayers living outside the City of Memphis. This additional \$0.05 is not included in this schedule.
- (c) Rates are applied per \$100 of assessed valuation.
- (d) The City of Memphis is considered an overlapping government because approximately three-fourths of the County's population resides in the City of Memphis. There are six other cities in the County which have been excluded from this schedule.

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population (in thousands)	Assessed Value (in millions)	Net Bonded Debt (in thousands)	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995	862.3	\$ 9,211	\$ 743,715	8.07	\$ 862.48
1996	865.2	9,221	725,285	7.87	838.29
1997	871.5	9,501	893,797	9.41	1,025.58
1998	873.5	12,450	887,994	7.13	1,016.64
1999	865.9	12,778	1,033,072	8.08	1,193.06
2000	868.8	12,812	996,907	7.78	1,147.45
2001	897.5	14,964	1,106,692	7.40	1,233.12
2002	896.0	15,234	1,220,172	8.01	1,361.78
2003	903.2	15,091	1,317,097	8.73	1,458.26
2004	906.2	15,156	1,580,998	10.43	1,744.65

Tax Rate Limitations

The ad valorem (real estate and personal property) tax levy is without legal limit. All prior limitations and restrictions, whether restricted as to total dollar amount or restrictive as to specific uses or a combination of the two, were repealed under paragraph 67-643 of the Property Assessment and Classification Act of 1973 (TCA).

**Ratio of Annual Debt Service Expenditures
For General Bonded Debt To General Government Expenditures
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Percentage of Debt Service to Total General Government Expenditures</u>
1995	\$ 17,730,000	\$ 34,787,689	\$ 52,517,689	\$ 431,184,335	12.18
1996	19,815,000	38,960,105	58,775,105	448,260,706	13.11
1997	21,970,000	42,722,765	64,692,765	464,252,440	13.93
1998	21,330,000	39,412,139	60,742,139	482,885,427	12.58
1999	27,390,000	42,490,486	69,880,486	552,605,641	12.65
2000	36,435,000	49,971,630	86,406,630	589,514,714	14.66
2001	40,585,000	51,093,014	91,678,014	638,351,418	14.36
2002	44,125,000	52,606,584	96,731,584	792,355,895	12.21
2003	49,650,000	61,404,778	111,054,778	851,475,539	13.04
2004	53,654,138	64,648,910	118,303,048	831,402,861	14.23

Schedule of Direct and Overlapping Debt

June 30, 2004

Direct Debt	
Total bonded debt	\$1,580,998,223
Less debt service funds	9,305,327
Net direct debt	<u>1,571,692,896</u>
Overlapping Debt	
City of Memphis	836,113,792
City of Germantown	24,913,175
City of Bartlett	23,205,000
City of Collierville	26,217,943
Town of Arlington	125,000
Town of Millington	8,209,326
Total overlapping debt	<u>918,784,236</u>
Total direct and overlapping debt (a)	<u><u>\$2,490,477,132</u></u>

(a) The County has no legal debt margin.

June 30, 2004

Date of Incorporation	1819
Form of government	Mayor-Commission
Area	783 square miles
Number of municipalities in Shelby County	Seven

EDUCATION

	<u>Shelby County</u>	<u>City of Memphis</u>
Number of schools	48	185
Employees:		
Professional	3,088	8,425
Support	2,081	8,983
Enrollment	46,776	120,404

In addition, there are approximately 60 private schools.

TEN LARGEST TAXPAYERS OF SHELBY COUNTY

Fiscal 2004 Assessments

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
Federal Express Corporation	Distribution Services	\$ 366,735,073	2.42%
Bellsouth Telecommunications	Communications	182,464,170	1.20%
Belz Enterprises	Commercial Real Estate	83,166,650	0.55%
Wolfchase Galleria LTD PHSP	Retail Marketing	53,899,240	0.36%
Union Planters	Financial Services	35,762,770	0.24%
Amisub (SFH) Inc.	Health Care	32,889,680	0.22%
Northwest Airlines	Transportation	32,099,591	0.21%
Mid-American Apartments LP	Residential Real Estate	30,535,785	0.20%
First Tennessee Bank	Financial Services	28,294,175	0.19%
Premcor Refinancing Company	Oil Refining	24,646,770	0.16%
Total Assessed Valuation of Top Ten Taxpayers		870,493,904	5.74%
Balance of Assessed Valuation		14,285,714,125	94.26%
Total Assessed Valuation		<u>\$ 15,156,208,029</u>	<u>100.00%</u>

(continued)

Miscellaneous Statistics (Continued)

June 30, 2004

Demographic Statistics				
Year	Population (b)	Effective Buying Income		School Enrollment (c)
		Per Capita (a)	Per Household (b)	
1994	862,300	\$ 16,917	\$ 28,566	150,843
1995	865,198	14,627	40,283	154,329
1996	871,505	18,361	37,355	156,624
1997	873,458	16,712	34,504	156,438
1998	865,900	22,840	42,686	161,454
1999	868,800	20,197	38,874	159,263
2000	897,472	18,662	38,206	160,751
2001	896,013	20,856	39,593	161,280
2002	903,186	18,181	36,461	163,435
2003	906,178	14,456	37,963	167,180

Year	Unemployment	Demand Deposits, Shelby County	Retail
	Rate (d)	Banks (a) (b) (e)	Sales (a) (b)
1994	4.7%	\$ 2,659,889,000	\$ 9,458,000,000
1995	4.9%	2,962,627,000	10,298,000,000
1996	4.4%	3,524,434,000	10,340,655,000
1997	4.7%	3,262,754,000	9,107,000,000
1998	3.8%	5,894,737,000	11,615,000,000
1999	3.8%	4,487,667,000	9,779,952,000
2000	3.9%	5,020,429,000	11,531,574,000
2001	4.2%	6,144,801,000	11,453,758,000
2002	5.3%	7,324,634,000	11,441,954,462
2003	6.4%	7,000,963,601	11,815,261,795

Sources:

- (a) University of Memphis Bureau of Business and Economic Research
- (b) Memphis and Shelby County Library
- (c) Memphis and Shelby County Boards of Education
- (d) U.S. Department of Labor, Bureau of Labor Statistics; average of monthly rates for the year
- (e) Federal Reserve Bank

Schedule of Salaries and Fidelity Bonds

June 30, 2004

Official	Designation	Salary Amounts	Bond Expiration Date
Mayor and Staff			
A C Wharton, Jr.	Mayor	\$ 150,000	09/01/06
John T. Fowlkes, Jr.	Chief Administrative Officer	130,000	09/01/06
James F. Huntzicker	Director of Administration and Finance	115,008	09/01/06
Ted C. Fox	Director of Public Works	101,856	09/01/06
Yvonne Smith Madlock	Director of Health Services	101,856	09/01/06
Charlotte Kennedy	Director of Community Services	101,856	09/01/06
George M. Little	Director of Corrections	101,856	09/01/06
Court Clerks			
Kenny W. Armstrong	Chancery Court Clerk and Master	97,649	01/01/09
Jimmy Moore	Circuit Court Clerk	97,649	09/01/06
William R. Key	Criminal Court Clerk	97,649	09/01/06
William C. Turner	General Sessions Court Clerk	97,649	09/01/04
Chris R. Thomas	Probate Court Clerk	97,649	09/01/06
Steve Stamson	Juvenile Court Clerk	97,649	09/01/06
Others			
Mark H. Luttrell, Jr.	Sheriff	107,414	09/01/06
Jayne S. Creson	County Clerk	97,649	09/01/06
Thomas F. Leatherwood	Register	97,649	09/01/06
Robert D. Patterson, Sr.	Trustee	97,649	09/01/06
Rita Clark	Assessor	97,649	09/01/04
All Employees	Employee Theft Coverage		09/01/04